THE WALL STREET JOURNAL.

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Last week: **DJIA** 33274.15 ▲ 1036.62 3.2% **NASDAQ** 12221.91 ▲ 3.4% **STOXX 600** 457.84 ▲ 4.0% **10-YR. TREASURY** ▼ 30/32, yield 3.491% **OIL** $75.67 ▲ $6.41 **EURO** $1.0843 **YEN** 132.76

What's News

Business & Finance

A group of large oil producers led by Saudi Arabia said they would cut more than a million barrels of output a day starting next month, a surprise move that upset Washington and could raise crude prices amid concerns about the global economy. **A1**

◆ **Elon Musk has** revived the idea of digital banking to turn Twitter into a company worth more than $250 billion, an aspiration that faces regulatory hurdles and the challenge of entrenched players. **A1**

◆ **Tesla delivered** a record number of vehicles in the first three months of the year, when the company slashed prices to stimulate demand in a cooling car market. **B1**

◆ **McDonald's is** temporarily closing its U.S. offices this week as it prepares to inform corporate employees about layoffs undertaken by the burger giant as part of a broader company restructuring. **B1**

◆ **Individual investors** are losing their appetite for U.S. stocks, leaving equity markets without a dependable leg of support after a rocky first quarter. **B1**

◆ **Swiss prosecutors are** investigating the government-orchestrated takeover of Credit Suisse by rival UBS to determine whether any criminal offenses took place under the deal. **B2**

◆ **Nashville, Tenn.,** topped the list of 2022's hottest job markets, followed by Austin, Texas, and Jacksonville, Fla. Orlando, Las Vegas and New Orleans rose in the rankings. **A3**

World-Wide

◆ **U.S. Secretary of State** Antony Blinken pressed his Russian counterpart for the release of recently detained Wall Street Journal reporter Evan Gershkovich in a phone call, the State Department said, following his detention last week on espionage charges. **A1, A10**

◆ **Russian forces shelled** a town near the eastern Ukrainian city of Bakhmut, killing six people, while Zelensky said Russia's presidency of the U.N. Security Council was undermining the body's credibility. **A6**

◆ **Japan is buying** Russian crude oil at prices above the cap agreed by the U.S. and allies with Washington's acquiescence. **A6**

◆ **New York prosecutors** and Donald Trump and his political allies and foes are gearing up for a week that will feature his surrender and arraignment in a Manhattan courtroom on hush-money charges. **A4**

◆ **Former Arkansas Gov.** Asa Hutchinson said he was running for president and called on Trump to withdraw from the race over his criminal indictment in New York. **A5**

◆ **Denver's mounting** homeless crisis is dominating a crowded mayoral election set for Tuesday, with candidates offering competing plans on how to tackle an issue that has sharply divided residents. **A3**

◆ **Egypt and Syria are** in advanced talks to restore full diplomatic relations more than a decade after ties broke down, people familiar with the matter said. **A10**

CONTENTS

Arts in Review.....A15
Business Finance...B2
Business News....... B3
Crossword.............. A16
Heard on Street... B10
Markets..................... B9
Opinion............. A17-19
Outlook..................... A2
Personal Journal A13-14
Sports..................... A16
Technology.............. B4
U.S. News........... A2-5
World News....... A6-11

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Storm Death Toll Rises to 32 Over Weekend

CHENEY ORR/REUTERS

DEVASTATION: Damage inspected on Sunday included roofs ripped off homes in Little Rock, Ark., above. At least 32 people were killed in the storms that barreled across the country from Wisconsin to Georgia, battering homes and downing power lines. A3

Blinken Prods Russia to Free WSJ Reporter

By Vivian Salama
And Alan Cullison

WASHINGTON—U.S. Secretary of State Antony Blinken pressed his Russian counterpart for the release of recently detained Wall Street Journal reporter Evan Gershkovich in a phone call Sunday, the State Department said, following his detention last week on espionage charges.

Mr. Blinken conveyed his "grave concern" to Foreign Minister Sergei Lavrov of Russia over the continued detention of Mr. Gershkovich and another American held by Russia, Paul Whelan, calling it unacceptable and demanding their immediate release, according to an official U.S. statement on the rare call between the top two U.S. and Russian diplomats.

Russia's Foreign Ministry said in a statement that "attention was drawn to the need to respect the decisions of the Russian authorities, taken in accordance with the law and international obligations of the Russian Federation."

The ministry said that the Russians emphasized that "it is unacceptable for officials in Washington and the Western media to whip up a stir with the clear intention of giving this case a political coloring."

The Foreign Ministry said

Please turn to page A10

◆ Top French editors denounce reporter's detention............ A10

The New Face of Hostage Diplomacy

More Americans in recent years have been detained by foreign governments on what the U.S. considers to be bogus or politicized charges than

By Louise Radnofsky, Warren P. Strobel and Aruna Viswanatha

have been taken captive by terrorism groups or criminal gangs, according to U.S. authorities and private assessments.

The latest is Wall Street Journal reporter Evan Gershkovich, who was arrested last week by Russian authorities and charged with espionage. The 31-year-old journalist who had covered the rapidly escalating new era of state hostage-taking has suddenly become the face of it.

John Bolton, who was national security adviser to former President Donald Trump, called Mr. Gershkovich's arrest "an act of state terror," calculated to put pressure on President Biden. "This is as targeted a hostage-taking as you can imagine," he said.

Within hours of his detention on Wednesday, the highest figures in the U.S. government denied the charges against Mr. Gershkovich, bluntly called for him to be freed and accused Moscow of targeting Americans. "Let him go," Mr. Biden said to reporters on Friday.

"The Wall Street Journal demands the immediate release of our colleague, Evan

Please turn to page A8

Saudi-Led Oil Producers Set for More Output Cuts

By Benoit Faucon
And Summer Said

A group of large oil producers led by Saudi Arabia said they would cut more than a million barrels of output a day starting next month, a surprise move that upset Washington and could raise crude prices amid concerns about the global economy.

The output cut adds to a reduction of 2 million barrels a day agreed to in October by the Saudi-led Organization of the Petroleum Exporting Countries and a group of other producers led by Russia. Taken together, the output cuts amount to about 3% of the world's petroleum production taken off the market in seven months.

The decision marks another moment when Saudi Arabia, once a reliable U.S. security partner, is setting energy policy at odds with Washington as the West confronts Russia over its invasion of Ukraine. The U.S. has sought to reduce revenue for Russia—one of the biggest oil and gas producers in the world—through sanctions and a price cap, but OPEC+ moves helped prop up crude prices in much of 2022.

Russia nominally is part of Sunday's action, but its output cut—500,000 barrels a day—was announced weeks ago and was likely involuntary, as the damage to its economy from

Please turn to page A2

◆ Japan breaches price cap on Russian oil A6

Tigers Burn Bright in NCAA Final

KIRBY LEE/USA TODAY SPORTS

LSU coach Kim Mulkey raises the championship trophy after the Tigers defeated the Iowa Hawkeyes 102-85 on Sunday to win the NCAA women's basketball tournament. A16

Musk Taps Old Idea to Chase $250 Billion Twitter Valuation

By Tim Higgins

Behind Elon Musk's gamble to turn Twitter Inc. into a company worth more than $250 billion is a beloved idea he has hung on to for more than two decades: digital banking.

The billionaire entrepreneur gave employees late last month a taste of how grandiose his plans are, telling them he envisions Twitter being worth more than 10 times its current value of around $20 billion.

Key to his effort, he has said, is putting the social-media company at the center of users' financial lives. It is a remake that harks back to the early days of his career and his first major setback at a startup called X.com, now known as PayPal Holdings Inc. The early success of the digital-payments company gave Mr. Musk the fortune he parlayed into Tesla Inc., the car maker, and SpaceX, the rocket company. But his ouster as the startup's CEO meant he never got to bring his full plan to fruition.

Now, the 51-year-old is painting a world in which Twitter users can effortlessly send money to each other, earn interest on deposits and much more through an app. That digital ideal closely resembles his original vision for X.com before it merged with another similarly focused firm to eventually become PayPal.

"I think it's possible to become the biggest financial institution in the world," Mr. Musk said in March at a Mor-

Please turn to page A4

◆ Tesla reports record vehicle deliveries...................................... B1

Meet the 18-Year-Old Who Wants to Be Disney's Next CEO

* * *

Superfan Cori Borgstadt started going to annual meetings in 2008, when she was 3

By Robbie Whelan

PEORIA, Ariz.—Walt Disney Co. Chief Executive Robert Iger has said his top priority is finding his successor within two years.

An 18-year-old Disney superfan from the Phoenix suburbs thinks she would be a strong candidate. And she has already talked to Mr. Iger about the job.

Cori Borgstadt, the young fan, has become a regular at annual shareholder meetings. In fact, she has attended every annual Disney shareholder confab since 2008, when she was 3 years old. She has asked Mr. Iger a question on all but three occasions, including in 2015, when she wondered what advice he would give to "a kid who wants your job some day."

Dream on

Mr. Iger responded, "Well, one thing you can do is keep coming to our shareholders' meeting."

Monday will mark Ms. Borgstadt's 16th straight appearance—this year's meeting is virtual-only—a streak longer than nearly all of Disney's directors have been on the company's board. The shareholder events have allowed Ms. Borgstadt to tap into her obsession with Disney and her interest in corporate governance, while also providing an annual vacation for her family.

Her questions over the years have ranged from fan concerns such as whether or not Mack, the big-rig truck from the Pixar movie "Cars," would appear in the sequel, to inqui-

Please turn to page A12

America Has Too Much Parking. Really.

Cities get rid of spaces, freeing land for new development; 'looking for a place to live'

By David Harrison

For decades, American cities have had a parking problem: too much of it.

Countless residential parking spots go unused, and many downtown garages sit half empty. Ride-sharing and the rise of remote work during the pandemic have aggravated the trend. The average American drove 4% fewer miles in 2022 than in 2019, according to government statistics.

Recognizing this, cities are shrinking the number of spaces, freeing up the land for other uses, with far-reaching consequences.

Garages and parking lots are being demolished. New buildings now come with fewer spots. Major retailers are leasing unused spaces for new development. And local governments are scrapping decades-old minimum-parking rules for new buildings.

Urban planners and economists say this helps to reduce construction costs, hold down rents, relieve congestion, revitalize cities and mitigate the national housing shortage by making better use of some of the country's most valuable land.

"The Dutch have reclaimed land from the sea, and I think we can reclaim land from parking," said Donald Shoup, an urban planner at the University of California, Los Angeles who pioneered the field of parking research.

Any driver who has been late to an appointment for lack of a parking spot might be surprised to hear there is a parking glut. Economists, however, say expectations for

Please turn to page A12

INSIDE

GIORGIO VIERA/AFP/GETTY IMAGES

U.S. NEWS
As court date nears, Trump's legal team brings swagger and strategy. **A4**

WORLD NEWS
Pope presides over Mass on Palm Sunday after release from hospital. **A10**

VISIT…

LANZAROTE Caliente.COM

U.S. NEWS

THE OUTLOOK | By Harriet Torry

Prospect Arises of Long Global Slowdown

Over the past year, governments around the world have announced tax breaks, subsidies and new laws in a bid to accelerate investment, combat climate change and expand their workforces.

That might not be enough.

The World Bank is warning of a "lost decade" ahead for global growth, as the war in Ukraine, the Covid-19 pandemic and high inflation compound existing structural challenges.

The Washington, D.C.-based international lender says that "it will take a herculean collective policy effort to restore growth in the next decade to the average of the previous one." Three main factors are behind the reversal in economic progress: an aging workforce, weakening investment and slowing productivity.

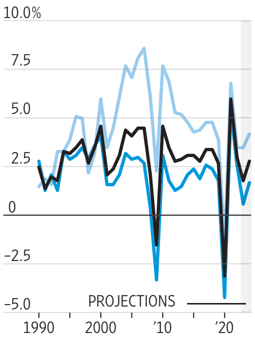
"Across the world, a structural growth slowdown is under way: At current trends, the global potential growth rate—the maximum rate at which an economy can grow without igniting inflation—is expected to fall to a three-decade low over the remainder of the 2020s," the World Bank said.

Potential growth was 3.5% in the decade from 2000 to 2010. It dropped to 2.6% a year on average from 2011 to 2021, and will shrink further to 2.2% a year from 2022 to 2030, the bank said. About half of the slowdown is attributable to demographic factors.

The latest alarm bells from the World Bank about the global economy come in the wake of the U.S.'s passing the Inflation Reduction Act, which includes hundreds of billions in incentives and funding for clean energy, as well as a law to ratchet up investments in semiconductors. In response, the European Union is relaxing its rules on government tax breaks and other benefits for clean-tech companies.

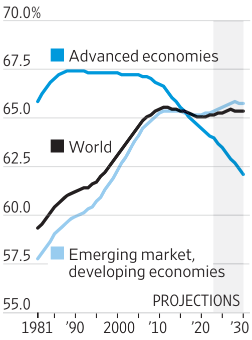
Meantime, major economies are trying to boost their workforce numbers, often in the face of steep resistance. In France, protesters responded violently to President Emmanuel Macron's overhaul of the country's pension system, while China's shrinking population has prompted local governments there to offer cash rewards and longer maternity leaves to boost births.

Global gross domestic product, annual change*



*Adjusted for inflation

Working age share of total population



Source: World Bank

These efforts so far might be too little, too late. Weakness in growth could be even more pronounced if financial crises erupt in major economies and trigger a global recession, the World Bank report cautions. The warning comes just weeks after the collapse of Silicon Valley Bank sparked turmoil in the U.S. and European banking sectors.

Questions surrounding global growth prospects will be in the air in Washington, D.C., alongside the blooming cherry blossoms at the spring meetings of the International Monetary Fund and World Bank from April 10 to 16.

Policy makers and central-bank officials will join economists from around the world to discuss topics including inflation, supply chains, global trade fragmentation, artificial intelligence and human capital.

Earlier this year, the World Bank sharply lowered its short-term growth forecast for the global economy, citing persistently high inflation that has elevated the risk for a worldwide recession. It expects global growth to slow to 1.7% in 2023. Other organizations, such as the International Monetary Fund and the Peterson Institute for International Economics, a Washington-based think tank, expect global GDP growth to expand a more robust 2.9% in 2023.

This isn't the first time the World Bank has warned of a lost decade. In 2021, the lender said Covid-19 raised the prospect owing to lower trade and investment caused by uncertainty over the pandemic. It issued similar warnings after the 2008 financial crisis. Global growth from 2009 to 2018 averaged 2.8% a year, compared with 3.5% in the prior decade.

The World Bank identifies a number of challenges conspiring to push down global growth: weak investment, slow productivity growth, restrictive trade measures such as tariffs and the continuing negative effects—such as learning losses from school closures—of the pandemic.

It said pro-growth policies would help. Measures to boost labor-force participation among discouraged workers and women can help reverse the negative trend in labor force growth from an older population and lower birthrates, according to the World Bank.

Some view the World Bank's projection for a lost decade as too pessimistic. Harvard University economist Karen Dynan said aging populations in nearly every part of the world will be a drag on global growth, but she was more optimistic on raising productivity—output per worker.

"I expect, outside the demographic effects, output per person to look a lot like it did before the pandemic," she said.

"The World Bank is right to draw concern to the possibility of a lost decade in sub-Saharan Africa, in Central America, in South Asia—an awful lot of human beings are at risk or are facing very grim situations," said Adam Posen, president of the Peterson Institute for International Economics.

"But from a global GDP outlook, or even a global population outlook, most of the major emerging markets along with most of the Group of 20 essentially are doing pretty well," Mr. Posen said. He pointed to economic resilience in Europe and emerging markets in recent years, even as the Federal Reserve has sharply raised interest rates.

U.S. WATCH

WASHINGTON, D.C.

Tax Refunds Lower So Far This Year

With about two weeks to go until Tax Day, more than 80 million Americans, or about half of total taxpayers, have filed their 2022 returns and claimed more than $172 billion in refunds.

The total amount refunded is down about 9% from this point last year, according to Internal Revenue Service tax-season data as of March 24. Meanwhile, the average refund is $2,903, down about 11% from the average at this point last year.

The tax-filing deadline this year is April 18, although filers in disaster areas like most of California and parts of Mississippi are getting extensions.

The decline in the average refund amount is in part because pandemic-era provisions boosted refunds with expanded child credits and other benefits that have now expired.

Last year's stock- and bond-market downdraft saddled many investors with surprise taxable payouts that could weigh on refunds. However, the total number of refunds is up slightly, about 3%, compared with last year.

—Laura Saunders

ANDREE KEHN/SUN JOURNAL/ASSOCIATED PRESS

EASTER BUNNIES: Children cheer as they cross finish line at Lost Valley's Annual Beach Bash cardboard box race in Auburn, Maine.

TENNESSEE

Law Targeting Drag Shows Blocked

A federal judge on Friday blocked a Tennessee law hours before it was set to go into effect Saturday that would have strictly limited drag shows.

U.S. District Judge Thomas L. Parker issued a temporary restraining order against enforcing the law in response to a lawsuit filed by a Memphis-based theater company.

"If Tennessee wishes to exercise its police power in restricting speech it considers obscene, it must do so within the constraints and framework of the United States Constitution," Judge Parker wrote in the order. Citing free-speech protections under the First Amendment, the judge said the state law "missed the mark."

Gov. Bill Lee, a Republican, signed the law in early March. The bill doesn't include the word "drag," but bans cabaret performances, including those by male and female impersonators, on public property or in a location where they could be viewed by minors.

Critics say the legislation is intended to target drag performers and that its vagueness could have a chilling effect on everything from pride parades to pop concerts.

Some of the bill's supporters have said the legislation isn't drag-specific and is aimed broadly at keeping adult-oriented entertainment from minors.

—Mariah Timms

MONTANA

Train Derails, No One Hurt, No Evacuations

About 25 train cars derailed Sunday in northwestern Montana, with no injuries or evacuations reported, authorities said.

The cars, which weren't believed to be carrying anything hazardous, derailed near the town of Paradise along the Clark Fork River, said Bill Brown, a dispatcher with the Sanders County Sheriff's Office.

Firefighters and representatives of Montana Rail Link, a railroad that operates in Montana and Idaho, were responding and investigating what the cars were carrying, he said.

Photos posted on social media show some of the cars appearing to dip just into the river.

Montana's U.S. Sens. Steve Daines and Jon Tester said in separate tweets that they were monitoring the derailment and were in touch with local officials.

Federal regulators and members of Congress are urging railroads to do more to prevent derailments after recent fiery wrecks involving hazardous chemicals in Ohio and Minnesota prompted evacuations.

—Associated Press

Saudis Lead Oil Output Cut

Continued from Page One

sanctions and the war deepens. Russian officials said they were extending their production cut for the entire year. Russian government revenue has been squeezed, the country's biggest exports, gas and oil, have lost major customers, and the ruble is down more than 20% since November against the dollar.

The production cut will hit an oil market that was widely seen as tightly balanced between supply and demand, meaning it could swing prices up. If there are higher prices, it could stoke inflation and complicate decisions for central bankers, who are caught between trying to tame rising prices and propping up a banking system in turmoil.

The White House doesn't view production cuts as a good idea at the moment given the uncertainty in the market, the National Security Council said in a statement Sunday.

"We're focused on prices for American consumers, not barrels, and prices have come down significantly since last year, more than $1.50 per gallon from their peak last summer," the NSC said. "We will continue to work with all producers and consumers to ensure energy markets support economic growth and lower prices for American consumers."

Saudi Arabia said it would shoulder most of the output cuts, pledging to cut production by a further 500,000 barrels a day starting in May through the end of the year. The announcement was unusual in that it didn't involve many members of the OPEC cartel or the larger group with Russia called OPEC+, with just a handful of countries promising lower production levels.

According to people familiar with the decision, it was negotiated primarily between the Saudis and Russia to get ahead of a global slowdown and raise prices to fund Saudi Arabia's ambitious domestic projects and replenish Russia's reserves.

The oil producers announced their decision less than a month after a bank run led to the collapse of Silicon Valley Bank, raising recession fears. The Saudis were among the biggest losers in the ensuing crisis, with their recently acquired, nearly 10% stake in Credit Suisse Group AG losing almost all its value after a run on the bank's shares.

Oil prices had been trending downward since late last year on global recession fears, with Brent crude, the international benchmark, nearing $70 a barrel last month.

Prices have come back up to close to $80 a barrel in recent days after supply disruptions in Iraq, but some in OPEC see oil demand taking a hit in a recession. The price moved over $85 a barrel after the announcement, before falling slightly.

Oil prices had been trending downward since late last year on recession fears.

Saudi Arabia's state press service called Sunday's production cut "a precautionary measure aimed at supporting the stability of the oil market."

The decision surprised analysts who follow OPEC and Saudi moves closely.

"Given the preventive nature of OPEC decisions, there is clearly something OPEC knows about demand trends and inventories that we have yet to discover fully in overall supply and demand balances," said Christyan Malek, global head of energy strategy at JPMorgan Chase & Co.

Ole Hansen, an oil analyst at Denmark's Saxo Bank, said the decision to cut production again reflected concerns over the U.S. economy, where interest rates are widely expected to increase.

The Saudis likely feel more comfortable cutting output to raise prices because U.S. production is no longer as nimble as it once was, he said.

Saudi Arabia and Russia were joined by OPEC members Iraq, the United Arab Emirates, Kuwait and Algeria. Outside OPEC, Oman and Kazakhstan agreed to reduce output.

Crown Prince Mohammed bin Salman, the country's de facto ruler, is in the midst of a plan to use his country's gusher of oil revenue to transform its economy, rework its landscape and upend its conservative culture. As prices hit $100 a barrel last year, the kingdom accelerated plans for its so-called gigaprojects, which include a new city in the desert, as well as Red Sea resorts and a built-from-scratch tourism industry.

The kingdom's energy minister, Prince Abdulaziz bin Salman—the crown prince's half brother—has said the country is more focused on the future now and on delivering Prince Mohammed's projects. He has been among the officials implementing what is known as a Saudi First economic policy, consolidating power in OPEC and promising last year to act quickly if he saw the market turning in the wrong direction.

Prince Abdulaziz has been concerned that traders and hedge funds were shorting oil, meaning they took positions betting that oil prices would fall, and he appeared to have decided to fight back, according to people familiar with the matter.

Riyadh's cuts announced in October ratcheted up tensions with the Biden administration, a few months after the president's trip to Saudi Arabia to heal relations. At the time, the White House accused OPEC+ of actively supporting President Vladimir Putin of Russia.

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Arkansas City Surveys Ruin After Tornado

Four people killed in Wynne after residents took a direct hit; a new storm system is on way

BY ADOLFO FLORES AND GINGER ADAMS OTIS

THOMAS METTHE/ARKANSAS DEMOCRAT-GAZETTE/ASSOCIATED PRESS

Jody Huffmaster and John Pearson on Sunday in the ruins of a home in Wynne, Ark., that belonged to a family member of Mr. Pearson.

WYNNE, Ark.—Mike Ellis saw one tornado in Little Rock from his father's ninth-floor hospital room and worried about his mom, who uses a walker and was home alone in Wynne, so he rushed to her house Friday in time for a second tornado.

He and his 18-year-old son had barely pulled into the driveway when the sirens started to go off. Mr. Ellis helped his mother into a bathroom closet before grabbing a mattress to shield him and his son as they took cover in a hallway. In a few minutes the tornado was over them.

Mr. Ellis, 50, had returned from Florida to his hometown to be with his parents and was one of many caught in a storm system that swept the central U.S. Friday night.

Wynne, a city of 8,200 about 50 miles west of Memphis, was among the communities hardest hit by tornadoes. At least 32 people across 10 states were killed by the storm system, which battered homes, overturned cars, and downed power lines from Wisconsin to Georgia, leaving widespread devastation in its wake.

In Wynne, which took a direct hit from a large tornado, killing four, residents Sunday were only starting to size up the damage.

Work crews were spread throughout the town, clearing debris and opening up roads. On Falls Boulevard, a busy commercial street a block from a high school that was destroyed by the tornado, business owners made patchwork repairs, and picked up what remained. The sound of hammering was occasionally broken by sirens from an ambulance or firetruck speeding down the road. A group of men worked quickly to cover the roof of Mitchell Eye Clinic with a large blue tarp.

On Sunday afternoon, Arkansas Gov. Sarah Huckabee Sanders toured the battered Wynne High School. She described one area as "absolute total destruction" except for two walls—one had a mural of the city that has been there for decades and the other had the words, "Once a jacket always a jacket," referring to the school's Yellowjackets teams.

Ms. Sanders said she was proud of how communities across the state have responded. "People coming together, standing up knowing that no matter what challenges we face, nothing is going to destroy us, nothing is going to bring us down," she said. "If anything we will come back better and stronger."

Wynne Mayor Jennifer Hobbs said the biggest struggle in a small community recovering is getting enough people to do the work of removing debris from homes into the street for the city to pick up.

Throughout the South and Midwest, meteorologists are still gathering field reports from thunderstorms that brought hail, ferocious winds and in many places multiple tornadoes. Some of the tornadoes across the 10 states with confirmed touchdowns have a preliminary EF3 rating, meaning winds ranged from 136 to 165 mph, the weather service said.

Another sprawling storm system is on the horizon for Tuesday, which could potentially hammer some of the same areas with equally destructive force, the National Weather Service Storm Prediction Center said Sunday.

Southern Iowa, western and northern Illinois and northern Missouri are among the regions with higher risks of damage, according to prediction models. Southern Missouri and much of Arkansas, including Little Rock, as well as parts of northeast Texas and Oklahoma, are also considered enhanced risk areas, early forecasts show.

Ms. Sanders said her office was tracking and getting ready for the possible storms. Crews were working around the clock to clear up debris before then and the National Guard had been activated in the hardest-hit areas in Arkansas, she said.

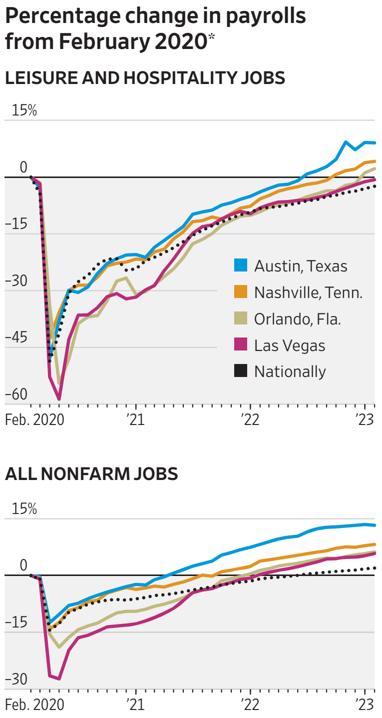
If it materializes as predicted, Tuesday's system will be the third major tornado-related weather event to hit the central U.S. in recent weeks.

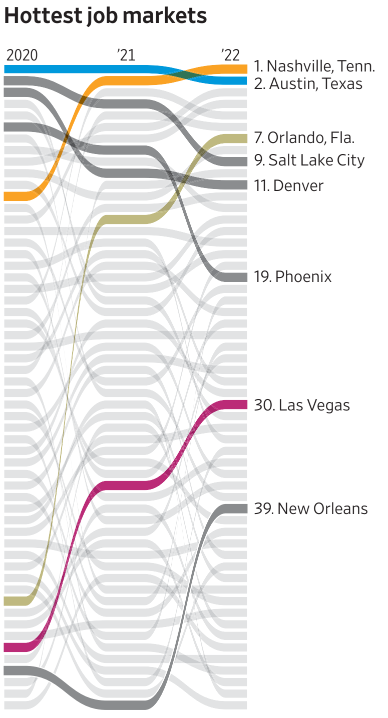
Brittany Lawson, a 32-year-old Wynne resident, said she had just finished eating tacos with her 4-year-old son, Roger, when she heard the sirens. She scooped up her 3-year-old daughter, Riley, and dashed to their shower. Moments later the tree on the side of her home came crashing through the house, missing the family by 5 feet.

"I just heard a big boom," Ms. Lawson said. "I just prayed to God that we were going to be OK, that we were going to be alive."

Best Job Markets Concentrated in the South Last Year

BY SARAH CHANEY CAMBON AND DANNY DOUGHERTY





*Seasonally adjusted Note: Rankings are based on five attributes: average unemployment rate throughout the year; yearly labor-force participation rate; change in the average monthly employment and labor-force levels from a year earlier; and the change in average weekly wages, not adjusted for inflation, in the first half of the year from a year earlier, reflecting the latest available wage data. Each attribute was ranked, and those rankings were added together to create an overall score. Rankings were split between areas with populations of either less than or more than one million. Rankings for 2020 and 2021 reflect revised data. Large metropolitan areas shown are those with a 2021 population above one million.

Sources: Labor Department (payrolls); Moody's Analytics analysis of Labor Department data (hottest markets)

Top Ten

1 Nashville, Tenn.
2 Austin, Texas
3 Jacksonville, Fla.
4 Dallas
5 Raleigh, N.C.
6 Atlanta
7 Orlando, Fla.
8 Charlotte, N.C.
9 Salt Lake City
10 Miami

To find the best job markets in America, head to the South.

Nashville, Tenn., topped the list of 2022's hottest job markets, followed by Austin, Texas, and Jacksonville, Fla. Other cities known for tourism—notably Orlando, Las Vegas and New Orleans—climbed the ranks last year.

Those Sunbelt cities benefited from a continued recovery in travel and a hiring boom at restaurants, hotels and music venues, consistent with the resurgent services sector driving the U.S. economy in recent months. Many remained relatively affordable as inflation gripped the nation. Meanwhile, some Western job markets that heated up after the pandemic took hold—including Salt Lake City, Phoenix and Denver—cooled last year.

The Wall Street Journal, working with Moody's Analytics, assessed about 380 metro areas. The rankings determined the strongest labor markets based on five factors: the unemployment rate, labor-force participation rate, changes to employment levels, the size of the labor force and wages in 2022. Larger areas, with more than one million residents, were ranked separately from smaller ones.

Broadly, the U.S. labor market remains robust, with employers consistently adding jobs last year and into the start of 2023. The U.S. unemployment rate ticked up to 3.6% in February from a 53-year low of 3.4% in January.

Southern cities have shown particular strength, with many top-ranked markets including Atlanta, Dallas, Charlotte and Raleigh, N.C., holding the ingredients to attracting and retaining workers.

"These are lower-cost areas, they are growing rapidly, there's an increasingly large critical mass of young, educated people," said Adam Kamins, economist at Moody's Analytics. "The affordability is really appealing to families as well."

Nashville, the nation's hottest job market, had the third highest share of adults working or looking for jobs. Austin, which held the No. 2 spot, touted the strongest labor-force participation among large metro areas.

Jacksonville edged up in the rankings last year, becoming the third-hottest job market, after placing sixth a year earlier based on revised 2021 data. The region, positioned as a logistics hub in northern Florida, has been a magnet for remote workers and new companies during the pandemic, said Mike Brady, owner of two Express Employment Professionals staffing offices in Jacksonville. "There has been explosive growth," Mr. Brady said. "We're still seeing warehouses being built. We're still seeing companies move in."

To attract and retain workers, employers across Jacksonville are ramping up wages. The city's weekly wages grew at the fourth-fastest rate of any large metro area last year. Its South Florida cousin, Miami, logged the nation's largest wage gains.

Pandemic travel restrictions and the spread of Covid-19 caused tourism hot spots such as Las Vegas to suffer in 2020 and into 2021. That turned around last year. Sin City added jobs at the fastest pace of any large metro in 2022. International travelers began returning to Vegas while older consumers shook off pandemic concerns.

Other tourism hot spots in the South, including New Orleans and Orlando, also made notable climbs up the rankings last year. Though employers in these regions began to reopen as early as spring 2020, many faced a long road to recovery.

Business at the Florida Hotel and Conference Center in Orlando, which has 511 guest rooms and 23 conference rooms, took a dive with the onset of the pandemic. Room cancellations flooded in and the company lost roughly $1.5 million a month, pushing it to eventually resort to layoffs, said Simone Kuska, corporate director of sales and marketing. Last spring, though, marked a pivotal point, Ms. Kuska said. "That is when we first saw that, 'Wow, we can fill this hotel again,' " she said.

In more recent months, business travelers have returned, helping drive revenues back to prepandemic levels, Ms. Kuska said. "Everybody is just out and about saying, 'I'm tired of Zoom calls, I want to do an in-person meeting like we used to,'" she said.

Cities including Salt Lake City, Phoenix and Denver drew in many workers seeking lower housing costs or outdoor adventure near the onset of the pandemic. As higher-wage remote workers moved in, they helped trigger high inflation and rapid increases in home prices that made these areas less attractive, Mr. Kamins of Moody's said.

New York was among the few large metros that lost people from its labor force last year. Los Angeles had above-average unemployment and below-average wage growth. Washington, D.C., had strong labor-force participation among residents, but struggled more than most cities to attract new workers and jobs.

Homeless Crisis Shapes Denver's Crowded Race for Mayor

BY DAN FROSCH

REBECCA SLEZAK FOR THE WALL STREET JOURNAL

An intern for a Denver nonprofit providing water to a homeless person. Tent encampments have sprouted up in several areas.

DENVER—This city's mounting homeless crisis is dominating a crowded mayoral election set for Tuesday, with more than a dozen candidates offering competing plans on how to tackle an issue that has left residents sharply divided.

Here, as with other communities across the country, the homeless population grew during the pandemic—in size and visibility. Tent encampments, once tucked from view under bridges or along the South Platte River, have sprouted up downtown and in residential neighborhoods where they line sidewalks near newly constructed condominiums. The one-two punch of Denver's growth and rising housing costs has fueled the problem, advocates for people without housing say.

With Mayor Michael Hancock termed out after 12 years, 16 candidates are vying in a nonpartisan election to succeed him. Frustrated residents, business leaders and advocates for people without housing are all pressing the candidates on how they plan to solve the dilemma.

"I've never seen such an intense political interest," said Cathy Alderman, chief public policy officer for Colorado Coalition for the Homeless.

According to what is known as a point-in-time estimate, typically gathered by local homeless aid groups for the federal government each January, Denver's homeless population has risen 44% over the past five years, to 4,794 in 2022 from 3,336 in 2017.

Mike Strott, a spokesman for the mayor, said the city had rehoused over 15,000 people without homes, expanded a shelter system and created more funding streams to address housing.

Among the most fraught debates has centered on how Denver has handled homeless encampments, which swelled during the pandemic as people stayed away from shelters fearful of getting Covid.

Back in 2012, the city, with Mr. Hancock's backing, passed an unauthorized camping ban. Housing advocates say sweeps of the encampments have only pushed unhoused people elsewhere. Denver business leaders say the ban hasn't been enforced enough.

There is little consensus among the candidates.

Kelly Brough, who recently led Denver's Chamber of Commerce, has vowed to eliminate unsanctioned homeless camps within her first year in office and wants to temporarily move unsheltered people into more city-approved campsites.

Mike Johnston, a former state senator, wants to build 20 micro communities of tiny homes and converted hotels. He has said he would enforce the camping ban on those who refuse city services.

Lisa Calderón, who heads an organization that helps Democratic women get elected, said she would stop the sweeps and launch a leasing program to get people into more stable housing.

Polls so far have shown no clear favorite, with more than half of voters undecided. If no candidate reaches over 50%, the top two will move on to a runoff in June.

Jim Norris, co-owner of Mutiny Information Cafe, a local bookstore and coffee shop in a hip corridor of boutiques and bars, said the city's approach was too heavy-handed.

"We have the money to fix this," he said. "But instead we choose to victimize the homeless and do nothing but take their tents and clothes and just trash them."

Denver resident Sunnye Keeley said she had to change her bike route to avoid encampments and worried for her safety. "We need to increase facilities for the homeless that are safe and clean, and have restrictions," said Ms. Keeley, 76. "But that still leaves people on the street who don't meet those qualifications."

Ms. Keeley said she planned on voting for state Rep. Leslie Herod. Ms. Herod favors ending sweeps and wants to emphasize acquiring more long-term and short-term housing.

FROM TOP: JOHN MINCHILLO/ASSOCIATED PRESS; HANS PENNINK/ASSOCIATED PRESS

Susan Necheles, above, and Joe Tacopina, below, are representing former President Donald Trump in the criminal case he is facing.

Former President's Legal Team Brings Swagger and Strategy

By Corinne Ramey And James Fanelli

The two defense lawyers representing Donald Trump in the first-ever prosecution of a former president are an unlikely pair—divergent personalities who bring a mix of swagger and subtlety to a case with steep legal and political implications.

Joe Tacopina wears expensive suits, speaks fluent Italian and is equally comfortable defending high-profile clients in front of a jury or on the television-news circuit. Susan Necheles prefers to operate under the radar, a meticulously prepared advocate who isn't afraid to rein in a client or tear up a plea agreement at the last minute if a defendant she represents is unhappy.

Both lawyers are expected to appear in a New York state court with Mr. Trump on Tuesday when he is scheduled to be arraigned on charges stemming from his role in a hush-money payment to a porn star ahead of the 2016 election. Mr. Trump, who was indicted last week, denies he engaged in any wrongdoing. The specific charges brought by Manhattan District Attorney Alvin Bragg aren't expected to be public until Mr. Trump's court date.

Over the weeks and months that follow, Ms. Necheles and Mr. Tacopina will face a series of strategic choices, first with the aim of getting the case thrown out, and if that fails, preparing Mr. Trump for a trial that could unfold during the height of the 2024 presidential campaign. And they will likely be crafting their battle plan while Mr. Trump provides a running commentary on the proceedings. In the days preceding his indictment, Mr. Trump on his social-media site forecast "potential death & destruction" if charged.

Ms. Necheles said that while the stakes are high in every case, this one was particularly so, not only because she is representing Mr. Trump, but doing so in New York City. She said Manhattan prosecutors appeared to be more on edge than usual, making those relationships more difficult. Mr. Trump's lawyers didn't get a heads up about the timing of the indictment, which she said they typically would have received.

A spokeswoman for Mr. Bragg declined to comment.

Ms. Necheles, 64 years old, has been in the Trump orbit since she was hired a couple of years ago to represent his business in a tax-fraud case brought by the Manhattan district attorney. Prosecutors late last year won a conviction against two Trump Organization corporate entities, which in January were sentenced to pay $1.6 million in criminal fines.

Mr. Tacopina, 56, began representing the former president several months ago in a civil lawsuit filed by E. Jean Carroll, a former advice columnist who alleged Mr. Trump raped her in a department store dressing room in the 1990s. Mr. Trump denied the rape. Mr. Tacopina also represented Kimberly Guilfoyle, who is engaged to Donald Trump Jr., and was subpoenaed by the committee that investigated the Jan. 6, 2001, attack on the U.S. Capitol by a mom of pro-Trump supporters.

Both lawyers worked at the Brooklyn district attorney's office early in their careers, and they built boutique law practices through their work in New York state and federal courts, representing clients ranging from mobsters to celebrities. While the two have been on defense teams together, they have never represented the same client.

"We are very different types of people," Ms. Necheles said. "But I've found in the past that sometimes that really works well."

Mr. Tacopina said Mr. Trump calls him constantly. "But that's OK, because this is serious stuff," he said. "He likes that I go on TV to expose what we believe is a politically motivated prosecution."

Though it is early days, Mr. Tacopina already is eager to make a run at one of the prosecution's star witnesses, former Trump lawyer Michael Cohen, who said he paid $130,000 to porn star Stormy Daniels at the direction of Mr. Trump and was later reimbursed for it through Trump payments misclassified as legal fees. Mr. Tacopina said he wants to cross-examine Mr. Cohen "more than anyone in my life."

Ms. Necheles's work last year on the Trump Organization trial produced clashes with prosecutors and at times the judge, Justice Juan Merchan, who will also preside over Mr. Trump's case. Ms. Necheles said such clashes are typical—and inevitable. "You are supposed to fight for your client," she said.

Mr. Trump said last week on his social media network that Justice Merchan "HATES ME," the latest in a series of unusual remarks over the years in which he has questioned the fairness and integrity of judges involved in his cases, comments that at times have put his lawyers in uncomfortable positions.

Given the historic nature of the first criminal case against a former president, some lawyers said Mr. Tacopina and Ms. Necheles will be litigating in a New York court system that likely would go out of its way to assure that the treatment of Mr. Trump is perceived as fair.

Trump Gets a Boost Among Republicans

By Alex Leary

New York prosecutors, former President Donald Trump, and his political allies and foes are all gearing up for a historic week that will feature his surrender and arraignment in a Manhattan courtroom on hush-money charges.

Mr. Trump, who is set to turn himself in on Tuesday, is experiencing a boost among Republicans, with new polling showing him widening his lead among prospective 2024 White House GOP rivals, including Florida Gov. Ron DeSantis.

A grand jury handed up the indictment, sought by the office of Manhattan District Attorney Alvin Bragg, on Thursday afternoon. Mr. Trump is scheduled to make an initial appearance in court at 2:15 p.m. Tuesday.

The case centers on his role in making a payment to porn star Stormy Daniels before the 2016 election to keep her from going public with a story of a sexual encounter she said she had with Mr. Trump a decade earlier. Mr. Trump has denied having an affair.

He is expected to report to the district attorney's office Tuesday morning, when he will be arrested, fingerprinted and photographed. The U.S. Secret Service is expected to accompany Mr. Trump—the first former U.S. president to face criminal charges—during his time at the courthouse.

Officials in New York are preparing for protests, and one of Mr. Trump's allies in Washington, Republican Rep. Marjorie Taylor Greene of Georgia, was encouraging people to head to the city. Streets surrounding the lower Manhattan courthouse are to be blocked off.

"I honestly don't know how this is going to go, hopefully as smoothly as possible and then we begin the battle to right this wrong," Trump lawyer Joe Tacopina said Sunday on CNN. He said the legal team needs to examine the charges.

Republicans continued to rally around Mr. Trump. Mr. DeSantis, who is expected to enter the race for president in the coming months, blasted the district attorney during a speech Saturday in Long Island. "They're trying to do all these legal gymnastics to try to act like it's a felony," he said.

Mr. Bragg has previously said, "we are investigating thoroughly and following the facts without fear or favor." His office has also accused congressional Republicans, who have sought documents and testimony from Mr. Bragg, of trying to hinder a legitimate investigation.

Mr. Trump has called Mr. Bragg an "animal" and a "psychopath" on social media. Cyrus Vance Jr., who held the position before Mr. Bragg, said Sunday on NBC that he was disturbed by Mr. Trump's rhetoric.

"I would be mindful of not committing some other criminal offense, like obstruction of governmental administration, which is interfering by threat or otherwise, the operation of government," he said.

The Trump campaign touted polling showing a bump for Mr. Trump. An online Yahoo News/YouGov poll conducted March 30-31 showed his lead among Republicans in a hypothetical matchup with Mr. DeSantis had grown to 26 percentage points, from 8 percentage points two weeks ago. In a general election matchup among all registered voters, the survey showed President Biden getting 45% and Mr. Trump getting 43%.

A Fox News poll released last week, before the indictment, showed Mr. Trump doubling his GOP primary lead since February, up by 30 percentage points over Mr. DeSantis.

Still, there remains an appetite among some Republicans to move on from the contentious Trump era. More broadly, Mr. Trump's various legal problems could reinforce feelings among swing voters.

Former Arkansas Gov. Asa Hutchinson, a Republican, said Sunday on ABC that he would enter the race for president and that Mr. Trump should step aside given the indictment, however unlikely that is.

AL DRAGO/BLOOMBERG NEWS

Rep. Marjorie Taylor Greene (R., Ga.) has urged people to go to New York as Mr. Trump is set to be arraigned on Tuesday.

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Musk Taps Old Idea For Twitter

Continued from Page One

gan Stanley conference.

There, he talked about his ambitions for diversifying Twitter after revamping its struggling ad business, which has traditionally made up around 90% of its sales. Analysts said it is possible Twitter, as a payment vehicle, could dramatically boost its revenue. But as with Mr. Musk's past experiences in automotive and aerospace, his aspirations face huge challenges, including entrenched players and regulatory hurdles.

So far, Twitter has made only nascent moves toward a payments and finance future. In November, the company took one of the first steps toward becoming a payments processor, filing paperwork with the U.S. Treasury.

Twitter's revenue fell to $3 billion last year, Mr. Musk has said, from about $5 billion in 2021 amid an advertiser pullback. On top of dramatic cost-cutting and layoffs, he has seen an exodus of workers unhappy with his new approach.

Last month, he tried to signal to remaining workers that they could benefit greatly from their collective success, rolling out an employee stock plan for the private company that valued it at about $20 billion. He also told them that he sees a "clear, but difficult, path" to being worth more than $250 billion at some point.

That number compares with financial giants, such as JPMorgan Chase & Co., which has a market value of about $380 billion, and Bank of America Corp., worth almost $230 billion.

Mr. Musk didn't give a timeline and he didn't respond to a request for comment.

Motivating workers with the potential of a big payday is a familiar playbook Mr. Musk uses at his other companies. In 2015, for example, he drew some collective eye-rolling from Wall Street when he claimed Tesla, then valued at around $25 billion, would in a decade's time match Apple Inc., then worth about $700 billion.

Tesla topped that $700 billion valuation and became the first auto maker to be worth more than $1 trillion in 2021. Since then, its valuation has fallen to around $620 billion.

Like he did at Tesla, Mr. Musk is betting on massive growth at Twitter, drawing a road map for moving the company beyond its core advertising business. This is central to his case for a higher valuation.

It is a plan that aims to take advantage of Twitter's hundreds of millions of users and is inspired by the emergence of apps in Asia that blend social media and digital commerce, as well as his earlier experience with X.com.

Founded in 1999, X.com was envisioned as a wide-ranging bank in which Mr. Musk wanted to consolidate users' financial services into one website. But what really attracted attention was the ability to email money between users, a breakthrough for the time, and ultimately what put PayPal on the map.

"I'm going to execute the X.com game plan from 22 years ago with some improvements," Mr. Musk said last year at a conference, where he talked about his ambitions for Twitter.

With Twitter, he is updating his earlier web-banking vision for the app economy, framed in terms of using the social-media company to jump-start the creation of a so-called super app. Such an app could be a platform that is a mix of content, communication and commerce similar to those offered by the tech giants in China, such as Tencent Holdings Ltd.'s WeChat and Ant Group Co.'s Alipay.

90%

Ads have historically made up this much of Twitter's revenue.

"We don't even have an app that's as good as WeChat in China," Mr. Musk said on a podcast last year hosted by a fan club. "My idea would be, like, How about we just copy WeChat?"

Those companies in China benefited from less-mature banking and digital messaging systems compared with the U.S. and an exploding user base on mobile devices, which for many customers was their only internet access.

"In the Alipay and WeChat model, advertising is not a significant aspect of the model," said Jason Wong, an analyst at Gartner Inc. "The model is based on transactions, is based on engagements."

It is unclear if Mr. Musk can replicate WeChat's success outside of China. The ecosystems of Apple's iPhone and Alphabet Inc.'s Android hold sway over smartphones in the U.S., where users also are accustomed to an array of banking and messaging apps as tech and financial companies battle to offer myriad digital-payment systems.

Still, some see great potential. Richard Crone, a digital-banking consultant, called payments "table stakes for all super apps" and key to increasing the monetization of active users, estimating it could more than double Twitter's revenue before moving on to more finance features.

"He has the ability to define a new social-commerce approach," Mr. Crone said.

Whatever that might be, as Mr. Musk has pursued new approaches to space travel and electric cars, he has remained attached to X.com.

In 2017, he repurchased the domain name for X.com from PayPal, saying "it has great sentimental value to me."

—Meghan Bobrowsky contributed to this article.

Arkansas Ex-Gov. Hutchinson Joins White House Race

By Gwynn Guilford

Former Arkansas Gov. Asa Hutchinson said Sunday he was running for president and called on fellow Republican Donald Trump to withdraw from the race over his criminal indictment in New York.

The 72-year-old former congressman and official in George W. Bush's administration said he was driven to run after traveling the country for six months and hearing calls for good leadership, common sense and optimism.

"People want leaders that appeal to the best of America, and not simply appeal to our worst instincts, and that inspires me," he said on ABC News. "I believe I can be that kind of leader for the people of America."

Mr. Hutchinson sought to draw a contrast between his "consistent conservatism" and message of hope and the "trauma" and "distraction" associated with the former president. Mr. Trump was indicted Thursday for his alleged role in paying hush money to a porn star before the 2016 election, making him the first former president in American history to face criminal charges.

"The office is more important than any individual person," Mr. Hutchinson said. "And so for the sake of the office of the presidency, I do think that's too much of a sideshow and distraction, and he needs to be able to concentrate on his due process."

PABLO MARTINEZ MONSIVAIS/ASSOCIATED PRESS

Asa Hutchinson

Mr. Trump's campaign didn't respond to a request for comment about Mr. Hutchinson's announcement.

Mr. Hutchinson's willingness to criticize Mr. Trump sets him apart from other potential Republican candidates who have rallied to the former GOP president's defense.

In addition to Messrs. Trump and Hutchinson, former South Carolina Gov. Nikki Haley and multimillionaire biotech company founder and investor Vivek Ramaswamy have declared for the race. Other Republicans believed to be considering a run include Florida Gov. Ron DeSantis, former New Jersey Gov. Chris Christie, South Dakota Gov. Kristi Noem, former Vice President Mike Pence, former Secretary of State Mike Pompeo and Virginia Gov. Glenn Youngkin.

"There's going to be some that say I should be tougher on the prosecutor, I should be tougher on the unfairness of this," Mr. Hutchinson said, referring to Manhattan District Attorney Alvin Bragg. "I've expressed my view that I wouldn't bring those charges if I was a prosecutor. But let's let the system work. And what I don't want to do as a leader is undermine everything that is good about America, which is our criminal justice system."

After Mr. Trump's preferred candidates had mixed success in the 2022 midterm election, and with his legal troubles deepening, some Republicans believe there is an opening for a new standard-bearer.

Mr. Hutchinson received 1% support among likely Republican primary voters in a Fox News poll conducted in late March, compared with the former president's 54% support.

Mr. DeSantis is so far the only potential candidate to rival Mr. Trump in popularity, notching 24% support in the Fox News poll. The next-closest was Mr. Pence, with 6%.

As governor until this year, Mr. Hutchinson distinguished himself from some of his Republican peers in his bipartisan outreach, and for promoting use of the Covid-19 vaccines. He also sought to add a work requirement to the Medicaid healthcare program, later overturned by a federal judge.

Industry Braces for Medicaid Reviews

By Stephanie Armour

An unprecedented effort by states to review the eligibility of the more than 90 million people on Medicaid carries high financial stakes for industry groups, including hospitals that risk paying more to cover uninsured patients and insurers that could lose some of the money they get for managing state Medicaid programs.

Eligibility reviews for people who get Medicaid coverage were paused during the pandemic. The resumption of those reviews and disenrollment of people, which technically started on Saturday, has industry working with federal regulators, patient advocacy groups and state Medicaid offices to urgently inform beneficiaries. All of them are working to tell enrollees which steps they can take to avoid losing coverage or how to secure other types of health insurance if they earn too much for the program.

Data shows many enrollees remain unaware the eligibility checks are looming, and federal regulators estimate as many as eight million people could be ousted from Medicaid for procedural reasons, such as not having updated contact information on file.

"It's a hugely important issue to us and all stakeholders are working together," said Molly Smith, vice president for policy at the American Hospital Association.

Eligibility reviews for people who get Medicaid were paused during Covid.

The disenrollments come as attention shifts away from the pandemic and the public health emergency is set to end officially in May. That will mean the end of free, at-home Covid test kits for Medicare beneficiaries, less flexibility around telehealth and the eventual wind down of free Covid vaccines.

Medicaid enrollment swelled about 30%—by 20 million enrollees—from February 2020 to November 2022, according to the Kaiser Family Foundation. Almost 92 million people are now enrolled in the program.

But eligibility determinations are set to begin again under a $1.65 trillion federal spending bill approved in December by Congress. Most disenrollments are likely to occur nationwide between June and July.

Hospital leaders worry they will be left covering the costs of more uninsured patients as millions of people lose coverage. Since 2000, hospitals have provided almost $745 billion in uncompensated care that wasn't covered by patients or insurers, according to the AHA.

Insurers also are worried. Many states contract with private insurance companies known as managed care organizations to provide Medicaid benefits, and they pay the companies a set amount each month. More than 70% of people enrolled in Medicaid are in managed care organizations.

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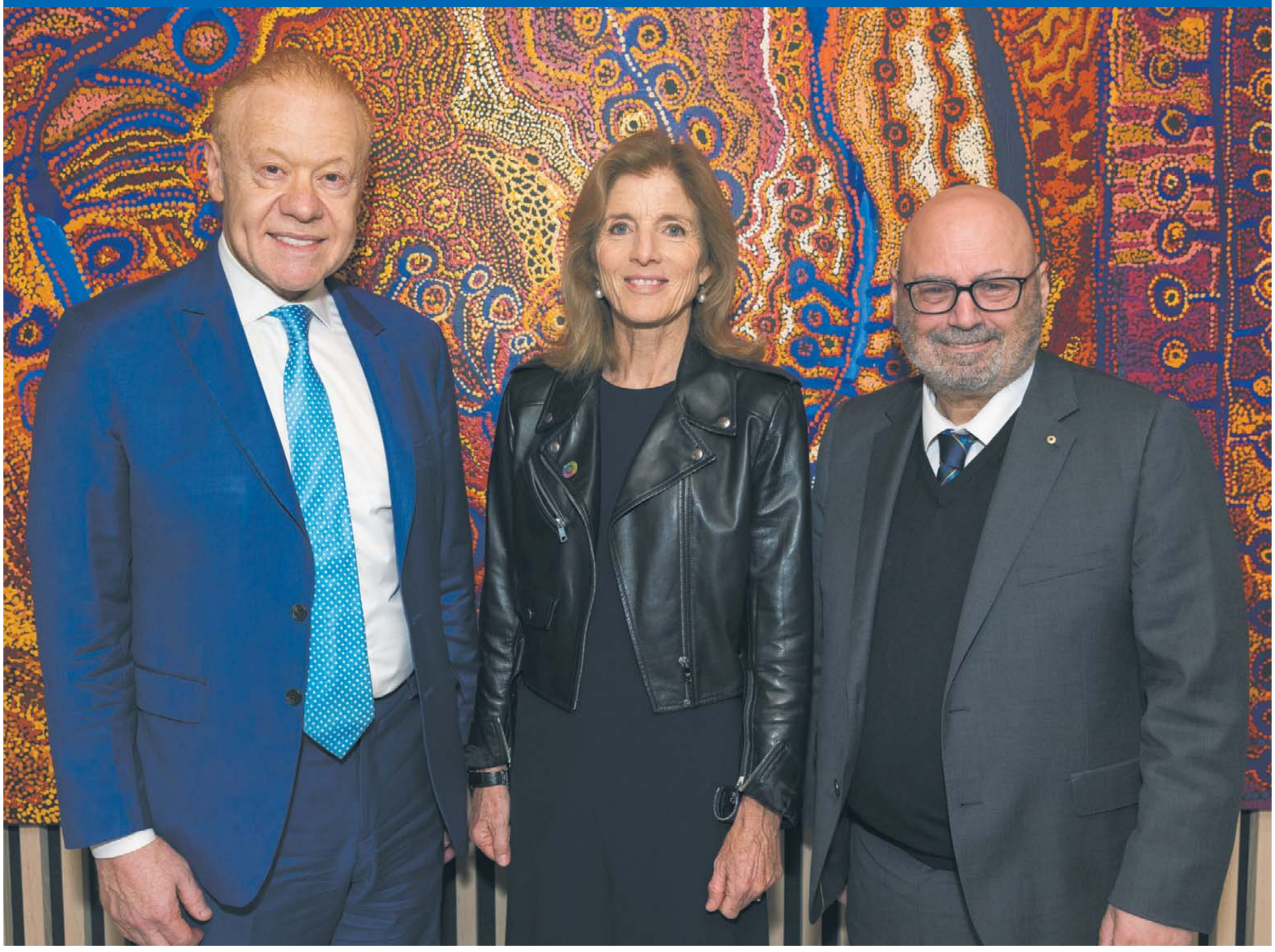

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WORLD NEWS

Russian Shelling Near Bakhmut Kills Six

Zelensky says Kremlin's monthlong presidency of U.N. Security Council hurts body's credibility

By Isabel Coles

GENYA SAVILOV/AGENCE FRANCE-PRESSE/GETTY IMAGES

Medics from the Da Vinci Wolves battalion on Saturday evacuated a wounded Ukrainian soldier near the front line of Bakhmut.

Kyiv, Ukraine—Russian forces shelled a town near the eastern city of Bakhmut on Sunday, killing six people, while Ukrainian President Volodymyr Zelensky said Russia's presidency of the United Nations Security Council was undermining the body's credibility.

Pavlo Kyrylenko, head of the regional administration in the eastern Donetsk region, said Russian forces had struck the center of Konstantynivka. Eight people were wounded in addition to the six fatalities, said the chief of Ukraine's presidential staff, Andriy Yermak.

Konstantynivka is about 16 miles west of Bakhmut, which has been the focus of Russia's offensive in recent weeks. Ukraine's last main supply roads to the city pass through Konstantynivka, making it an important staging ground for its defense of the city.

The attack came after Russia assumed charge of the monthlong rotating presidency of the U.N. Security Council on Saturday, a development Mr. Zelensky described as "absurd and destructive."

"It's hard to imagine anything that proves more the total bankruptcy of such institutions," he said in his video address on Saturday, noting that Russian shelling had killed a 5-month-old infant on Friday.

Mr. Yermak earlier described Russia's assuming the presidency of the Security Council as a "symbolic blow to the rules-based system of international relations."

Moscow has said it intends to exercise all its rights in holding the presidency, which provides it the power to organize sessions, and is expected to use some of them to criticize U.S. arms exports to Ukraine.

Russian Foreign Minister Sergei Lavrov is also expected to convene a session this month to discuss security in the Middle East, where China and Russia are playing larger diplomatic roles.

The previous time Russia held the presidency of the Security Council was in February last year. Russian President Vladimir Putin announced what he calls the special military operation in Ukraine during an emergency session of the council to discuss Russia's growing threat to Kyiv.

The General Staff of the Ukrainian Armed Forces, meanwhile, on Sunday said Kyiv's forces had fought off more than 70 attacks from Russian forces in the east of the country during the previous 24 hours, including missile strikes on civilian targets.

The Ukrainian military said some of the heaviest fighting continued to be centered on Bakhmut, where Ukrainian units repelled some 25 attacks.

Pro-War Blogger Killed in Cafe Blast

An influential Russian military blogger was killed on Sunday in an explosion at a cafe in St. Petersburg, marking the second time a prominent pro-war figure has been killed in an apparent bomb attack on Russian soil since the invasion of Ukraine.

The Russian Investigative Committee said Vladlen Tatarsky, whose real name is Maxim Fomin, died after an unknown device exploded in a cafe in the center of the city.

More than two dozen people were injured, with 19 of them hospitalized, said St. Petersburg's governor Alexander Beglov, who posted on his Telegram messenger channel that all emergency and special services in the city were involved in "trying to establish the circumstances of what happened."

In August, Russian authorities blamed Ukraine for the killing of Daria Dugina, the daughter of a prominent far-right Russian ideologue and herself an outspoken supporter of the war, in a car bombing just outside Moscow. U.S. intelligence agencies in October concluded that Ukraine was behind the attack. Kyiv has denied any role in the killing of Ms. Dugina.

—Ann M. Simmons

Japan Breaches Oil-Price Cap

By Peter Landers

TOKYO—The U.S. has rallied its European allies behind a $60-a-barrel cap on purchases of Russian crude oil, but one of Washington's closest allies in Asia is now buying oil at prices above the cap.

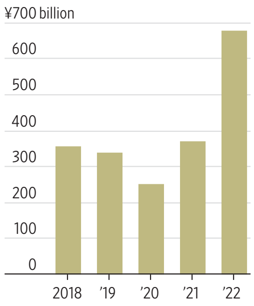
Japan got the U.S. to agree to the exception, saying it needed it to ensure access to Russian energy. The concession shows Japan's reliance on Russia for fossil fuel, which some analysts said contributed to a hesitancy in Tokyo to back Ukraine more fully in its war with Russia.

While many European countries have reduced their dependence on Russian energy supplies, Japan has stepped up its purchases of Russian natural gas over the past year. Japan is the only Group of Seven nation not to supply lethal weapons to Ukraine, and Prime Minister Fumio Kishida was the last G-7 leader to visit Ukraine after Russia's invasion.

Mr. Kishida has said the G-7 summit he is hosting this May in his hometown of Hiroshima will demonstrate solidarity with Ukraine. Tokyo has said it is committed to supporting Kyiv and can't send weapons because of longstanding export restrictions the cabinet has imposed on itself.

"We absolutely will not allow Russia's outrageous act, and we are imposing strict sanctions on Russia in order to stop Russia's invasion as soon as possible," said chief government spokesman Hirokazu Matsuno.

Japan's LNG imports from Russia by value



Note: ¥100 billion=$750 million.
Source: Japan Ministry of Finance

The oil purchases, while tiny and authorized by the U.S., represent a break in the unity of U.S.-led efforts to impose a global $60-a-barrel cap on purchases of Russian crude oil.

The cap works because oil-buying nations, even if they aren't aligned with the U.S., generally need to use insurance and other services from companies based in the U.S. or one of its allies. The G-7, the European Union and Australia have agreed to rules forbidding those companies from furnishing services if a buyer of Russian oil is paying more than $60 a barrel.

The nations last year granted an exception to the cap through Sept. 30 for oil purchased by Japan from the Sakhalin-2 project in Russia's Far East.

An official of Japan's Ministry of Economy, Trade and Industry said Tokyo wanted to ensure access to Sakhalin-2's main product, natural gas, which is liquefied and shipped to Japan. "We have done this with an eye toward having a stable supply of energy for Japan," the official said.

He said a small quantity of crude oil is extracted alongside the natural gas at Sakhalin-2 and needs to be sold to ensure liquefied natural gas, or LNG, production continues. "The price is decided by negotiations between the two parties," he said.

Russia accounts for nearly 10% of Japan's natural-gas imports, most of it from Sakhalin-2, and the quantity bought by Japan last year was 4.6% greater than in the previous year.

That marks a contrast with Germany, which relied on Russia for 55% of its natural-gas imports before the war and survived a complete cutoff through a quick remodeling of its import infrastructure. Germany's economy grew last year faster than Japan's, bucking forecasts of a German recession triggered by the cutoff of Russian gas.

"It's not as if Japan can't manage without this. They can. They simply don't want to," said James Brown, a professor at Temple University's Japan campus. Prof. Brown, who studies Russia-Japan relations, said Japan should move to withdraw from the Sakhalin projects eventually "if they're really serious about supporting Ukraine."

RUSSIAN DEFENSE MINISTRY PRESS SERVICE/ASSOCIATED PRESS

A Russian Iskander-K missile was launched during a military exercise at a training ground in February.

Tactical Nuclear Weapons Are Key to Moscow's Plan

By Stephen Fidler

Russia's tactical nuclear weapons, some of which President Vladimir Putin has said he plans to move into neighboring Belarus, are a central pillar of Moscow's defense philosophy, but they reflect a deep pessimism about the Russian military's chances in a non-nuclear confrontation with the U.S. and its allies.

The veiled threats that they could be used in Ukraine have been a factor in limiting the direct involvement of North Atlantic Treaty Organization members in the conflict, despite doubts among many Western analysts that breaking a taboo against nuclear weapons use that has held for more than 75 years would benefit Moscow in the fight.

"Nonstrategic nuclear weapons are a game-changer for them," said Christopher Yeaw, a specialist in nuclear deterrence at the National Strategic Research Institute at the University of Nebraska. Moscow has pursued development of these weapons "with rigor," he said.

Their importance to Mr. Putin has been shown by announcing the proposed deployment of such weapons to Belarus in March. The announcement directly contradicts a joint statement he made a few days earlier with Chinese leader Xi Jinping, by far Mr. Putin's most important partner, that declared "all nuclear-weapons states should refrain from deploying nuclear weapons abroad."

Tactical nuclear weapons are short-range weapons designed for use in the battlefield or to take out critical infrastructure, such as power stations. Unlike strategic nuclear weapons—a weapon of last resort designed for the destruction of large cities—tactical nuclear weapons have never been constrained by any formal arms-control deal.

"The nonstrategic weapons in the Russian arsenal are among the most obscure or opaque facts simply because they have never been regulated in a verified agreement," said Hans Kristensen, director of the Nuclear Information Project at the Federation of American Scientists.

This has contributed to a lack of clarity about how many such weapons Moscow has in contrast with strategic nuclear arms, numbers of which have until recently been declared and verified by the U.S. and Russia. There is also a range of qualitative assessments in the West about what types of weapons Moscow has developed.

Western estimates vary from fewer than 2,000 tactical weapons from Mr. Kristensen and colleagues to double or more that figure. By contrast, the U.S. has 230 B61 tactical nuclear bombs now being modernized—an estimated 100 of which are in Europe and designed to be carried by the air forces of NATO allies Belgium, Germany, Italy, the Netherlands and Turkey.

It also has two other nuclear warheads, launchable on missiles from submarines or aircraft, that can be dialed back to deliver a reduced explosive force.

Mr. Putin referred to the shared weapons when he said there was "nothing unusual" about deploying nuclear weapons to Belarus. "The United States has been doing this for decades," he said. "They have long deployed their tactical nuclear weapons on the territory of their allied countries, NATO countries, in Europe."

In contrast to the U.S., Russia has dozens of systems capable of delivering a nuclear warhead, from sea, subsea, land, air and from coastal- and air-defense forces. Many of these systems have been used to deliver conventional warheads in the war in Ukraine.

Some analysts, including Dr. Yeaw, say Russia has been developing tactical weapons that focus on nonexplosive effects, such as the electromagnetic pulse generated by nuclear explosions that knock out electrical systems, and weapons with reduced nuclear fallout.

They also say Moscow has developed warheads with capabilities ranging upward from what his institute defines as "ultra-low-yield" weapons from as little as 10 tons of TNT-equivalent explosive force to very low-yield weapons running into the hundreds of tons.

For comparison, the nuclear bomb dropped at Hiroshima delivered 15,000 tons of explosive power, and the yield of the August 2022 explosion in Beirut was about 300 tons. The biggest conventional weapon developed by the U.S.—the so-called Mother of All Bombs used in Afghanistan in 2017—and also likely by Russia are in the order of 10 tons. But delivering these conventional bombs would require a large and vulnerable heavy strategic bomber.

Arms-control specialists say that if Russia has developed these capabilities, it could further lower the bar against nuclear-weapons use. But while there is agreement that Russia has emphasized tactical-weapons development, many analysts say they just don't know how far that development has really gone.

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MOC2399-001G

Face Added To Hostage Diplomacy

Continued from Page One
Gershkovich, a distinguished journalist who was arrested while reporting in Russia," the Journal said in a statement Saturday. "No reporter should ever be detained for simply doing their job."

For Mr. Gershkovich, actions that might have once unfolded over weeks or even months have rolled out at a rapid clip under the brightest glare of attention. On Sunday, U.S. Secretary of State Antony Blinken called his Russian counterpart Sergei Lavrov conveying his "grave concern" over the detention.

Russia has said that it is acting in accordance with its own laws, with the Foreign Ministry saying that "it is unacceptable for officials in Washington and the Western media to whip up a stir with the clear intention of giving this case a political coloring."

Current and former U.S. officials and other hostage-case watchers point out that Russia's detention of an American journalist—for the first time in nearly four decades—is a brazen step, especially when accompanied by an accusation of espionage and coming amid growth in such cases around the world.

"There's been a marked, a dramatically increased, taking of American hostages, and hostages in general that are journalists," said former New Mexico Gov. Bill Richardson, who has a foundation that works with families of detained Americans to free them.

The James W. Foley Legacy Foundation counts 54 U.S. citizens or permanent residents who are deemed to be held hostage or wrongfully detained in 15 countries, including adversaries such as Cuba and allies such as Egypt and Saudi Arabia. The foundation is named after a U.S. journalist who was kidnapped by Islamic State and murdered in Syria in 2014.

While Russia isn't the only country involved in the phenomenon, it is one that requires the U.S. to go toe to toe with a rival superpower over individuals' lives at the same time they are jockeying for position in the international order.

Since early last year, when Russia invaded Ukraine, the U.S. has found itself openly negotiating with Moscow for the release of three American citizens. Trevor Reed, a former U.S. Marine, was freed in a prisoner exchange in April 2022. Women's basketball star Brittney Griner, arrested days before the invasion on drug charges, flew home after a swap in December. Another former U.S. Marine, Paul Whelan, was left behind on both occasions after a deal couldn't be reached for him.

Now, there is a new name being factored into a complex human and geopolitical calculus: Evan Gershkovich.

Such incidents have become so frequent that the U.S. has created a bureaucratic machine to deal with them.

A 2020 law—named for retired FBI agent Robert Levinson, who went missing in Iran in 2007 and is now presumed dead—established 11 criteria for what could constitute wrongful detention of a U.S. citizen. All Americans are entitled to consular assistance if they are held overseas, but the designation of being held unlawfully—because as a U.S. citizen they were targeted for arrest, for example—triggers a different process.

The Special Presidential Envoy for Hostage Affairs becomes responsible for the case, and other resources are deployed as well. The Biden administration routinely declares it has "no higher priority than the recovery and return of Americans held hostage or wrongfully detained abroad."

In a strategy not possible with rogue groups that take hostages, the U.S. typically has diplomatic channels with foreign governments that open the way for negotiations.

But there are geopolitical risks at every turn. Cases typically involve legal charges, with countries insistent that they have to uphold the integrity of their judicial systems. And sending a military force to the rescue or paying a big ransom aren't generally on the table when governments are involved.

Dealing with state actors "is so much more complicated" than dealing with rogue groups, said Diane Foley, the mother of James Foley and the founder and president of the foundation that bears his name.

Roger Carstens, who has held the position of Special Presidential Envoy for Hostage Affairs since 2020, has become the public face of detainee diplomacy. A former Army Ranger, he is praised by some families of Americans held overseas.

A lawyer who dealt with both the Trump and Biden administrations on behalf of detainees said that Mr. Carstens promptly returns text messages at all hours and is able to translate policy into messages that are comforting to families. At the same time, he is negotiating within a framework that he doesn't control.

Every detainee case is different, and not all details are ever known publicly about how they are resolved. The sample size is small. Still, there is an emerging formula that has become apparent to some researchers, who say it can explain the varying nature of detainee diplomacy, depending on the country involved.

"My impression is that the stronger countries seem to be more interested in prisoner exchanges; that seems to be the approach of Russia and China in these cases," said Danielle Gilbert, a fellow in U.S. foreign policy and international security at Dartmouth College who studies hostage taking and recovery, including by state actors.

"Weaker countries have a much wider range of things they are interested in when they hold Americans hostage or detain them for leverage, and that might be a whole host of geopolitical concessions," she said.

That rule of thumb can explain how Americans have been brought home from countries such as North Korea, Turkey, Egypt and Myanmar in exchange for concessions that were less obvious or concrete than a prisoner swap. People who have worked on past cases have also described securing a release after the countries involved received attention from the U.S. president or gifts of humanitarian aid, Dr. Gilbert said.

That lays bare the Russian problem: When negotiating with the U.S., at least, it is interested mostly in a public prisoner trade, and no alternative such as the return of confiscated diplomatic property is likely to suffice.

Such incidents are so frequent that a U.S. bureaucratic machine was created.

When Ms Griner was detained on drug charges days before Russia's invasion of Ukraine in mid-February 2022, experts warned that any deal for her would be complicated by an unswervable need for Russia to believe that it was receiving assets of comparable value.

That didn't change over the months that followed, even as different combinations and calculations were mulled.

The U.S. took the unusual step that summer of openly pressing Russia to accept what it termed a "substantial proposal" for Ms. Griner and Mr. Whelan—which people familiar with the matter said involved offering to release Viktor Bout, a prominent Russian businessman sentenced in 2012 to serve 25 years for arms dealing.

Russians repeatedly signaled that a two-for-one swap would never be sufficient. Ultimately, in December Mr. Bout was traded for Ms. Griner alone. There was no movement on a second candidate who could be exchanged for Mr. Whelan, who has been held since late 2018 on espionage charges he and the U.S. have consistently denied.

A similar pattern had been on display when Russia freed Mr. Reed, who was serving a nine-year prison sentence after being found guilty of assaulting two police officers. The U.S. deemed that he had been wrongfully detained.

Mr. Reed was swapped for Russian citizen Konstantin Yaroshenko, who had been sentenced to 20 years in prison in 2011 for conspiracy to smuggle cocaine into the U.S. Washington tried but failed to obtain Mr. Whelan's release then as well.

The templates of these two cases provide some idea of how negotiations between the U.S. and Russia might unfold over Mr. Gershkovich.

Mr. Richardson, the former governor-turned-hostage-negotiator, was involved in the Reed, Whelan and Griner cases, but isn't currently involved in Mr. Gershkovich's case.

He speculated that the Russians detained Mr. Gershkovich in part as a "tit for tat" in the wake of the recent U.S. charges against Sergey Cherkasov, whom the Department of Justice is accusing of acting as an illegal agent in the U.S. using a Brazilian identity. He also noted the worsening U.S.-Russia relations, and that Russia's intense focus on espionage charges has increased.

"The espionage issues are the toughest to resolve, but you can resolve them," he said.

Tensions within the U.S. over how to respond to hostage-taking have grown since the exchange of Ms. Griner for Mr. Bout on an airport tarmac in Abu Dhabi was watched around the world.

Ms. Griner's celebrity fueled a large campaign around her detention that was directed at the U.S. government, exhorting it to pursue her release. It is a playbook likely to be deployed again and again.

"To get Evan out, what is needed is not just official channels, but nonofficial channels and a multi-pronged media campaign, like Brittney Griner, which was very effective," Mr. Richardson said.

An underlying dilemma is unlikely to be resolved, even as it becomes more familiar: that negotiating for hostages encourages taking them.

Some U.S. officials, particularly at the Justice Department, argued against the exchange of Mr. Bout for Ms. Griner. They complained that it would give Russia an incentive to take more Americans, as well as that the cases were asymmetrical: Ms. Griner was convicted of carrying less than a gram of hashish oil into Russia, while Mr. Bout was accused of a career of arms trafficking.

Advocates for trading Mr. Bout, who included his sentencing judge, had pointed to the dwindling years on his sentence and the fact he had been charged as a result of a sting operation.

Some U.S. officials now believe their warnings were borne out in Mr. Gershkovich's detention. For others, it is no longer a question of whether the U.S. will trade prisoners, but which prisoners it can identify as palatable enough to let go who are also sufficiently desirable to Russia.

CLOCKWISE FROM TOP LEFT: THE WALL STREET JOURNAL; MAXIM SHEMETOV/REUTERS; TATYANA MAKEYEVA/REUTERS; YURI KOCHETKOV/EPA-EFE/SHUTTERSTOCK

The arrest of Evan Gershkovich, top left, adds to the delicate U.S. effort to negotiate with Moscow for the release of American citizens. Top right, former Marine Paul Whelan, shown in June 2020, has been left behind so far. Ex-Marine Trevor Reed, above right, was freed in a prisoner exchange in April 2022. Basketball star Brittney Griner, above left, flew home after a swap in December.

Watch a Video

Scan this code to see a Russian Nobel laureate react to the WSJ reporter's arrest.

EVGENIA NOVOZHENINA/REUTERS

A view late last week of the FSB's Lefortovo prison, where Wall Street Journal reporter Evan Gershkovich is being held.

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Leading French Editors Condemn Detention of Journalist in Russia

By Benoit Faucon

Twenty-two editors of leading French media groups published a letter to Alexei Mechkov, the Russian ambassador to Paris, denouncing the detention of Wall Street Journal reporter Evan Gershkovich.

The editors of Le Figaro, Les Echos, Le Monde, Libération and others wrote an open letter expressing their deep concern over the detention.

"Keeping Evan Gershkovich in custody is tantamount to taking a hostage," they wrote. "It is a warning, a threat, even an act of terror directed at the last representatives of international media still present in your country."

Russia's main security agency on Thursday said it had detained 31-year-old Mr. Gershkovich while he was on a reporting trip in Yekaterinburg, about 800 miles east of Moscow. Russian authorities have accused him of espionage. The Journal has vehemently denied the allegations and demanded Mr. Gershkovich's release.

Last week, more than three dozen top editors of news organizations around the world signed a letter to the Russian ambassador to the U.S. condemning Mr. Gershkovich's detention. The French editors said in their letter that they sought to support that call for the journalist's release.

The French editors said the espionage trial Mr. Gershkovich faces would be "a tragic masquerade."

"The whole array of French media is united in support of Evan and stands with the WSJ to demand his libération," Bernard-Henri Lévy, president of the supervisory board at broadcaster Arte France and a human-rights activist, wrote in an email.

Earlier on Sunday, U.S. Secretary of State Antony Blinken spoke with Russian Foreign Minister Sergei Lavrov to demand the release of Mr. Gershkovich, as well as another wrongfully detained American, Paul Whelan.

Griner Lobbies for Gershkovich

MARIO ANZUONI/REUTERS

Basketball star Brittney Griner, right, whom Moscow released from a penal colony last year, on Sunday called for President Biden to use 'every tool' to bring home Wall Street Journal reporter Evan Gershkovich after he was detained in Russia.

U.S. Presses For Release Of Reporter

Continued from Page One

that the U.S. Embassy in Moscow was notified of Mr. Gershkovich's detention "in accordance with established procedures."

U.S. diplomats in Russia have started what has become a familiar waiting game with Russian officials over a detained citizen, as they press for a visit with Mr. Gershkovich.

ANNA MONEYMAKER/GETTY IMAGES

Secretary of State Antony Blinken told of his 'grave concern' over the arrest to Russia's foreign minister.

Little is known about Mr. Gershkovich's condition or well-being since he was taken into custody Wednesday by officers with the Russian Federal Security Service, known as the FSB, while he was on assignment outside of Moscow. The State Department has demanded consular officials be permitted to visit the 31-year old reporter to ascertain his well-being and get as much information about his circumstances as they can.

"The fact that Secretary of State Antony Blinken spoke to his counterpart today is hugely reassuring to us," Wall Street Journal Editor in Chief Emma Tucker said Sunday on CBS News. "We know the U.S. government is taking this very seriously right up to the top, and as I say, that for us has been gratifying to know that they take it as seriously as they do."

Ms. Tucker declined to speculate on the motive in arresting Mr. Gershkovich.

"Evan is a very talented, experienced reporter," she said. "He's accredited to report from Russia and he was on an assignment doing what he always does—he was gathering information, he was reporting from the ground to provide our readers with eyewitness accounts of what it's like to be in Russia at the moment. It's a complete outrage that he was arrested like this and what the Russian authorities are saying is utter nonsense."

Mr. Whelan, another American being held on espionage charges in Russia, is deemed wrongfully detained by the State Department. A corporate security executive from Michigan, Mr. Whelan was arrested in December 2018 while visiting for a friend's wedding. He was sentenced to serve 16 years in a Russian penal colony and remains incarcerated. His family has said the charges are bogus.

Lawyers engaged by the Journal are scheduled to see Mr. Gershkovich on Tuesday, but Russian authorities often delay or cancel visits of lawyers in such circumstances. While representation of a lawyer is guaranteed in the Russian judicial system, prosecutors and investigators can keep a defendant isolated for weeks while they question him.

"My prediction is [the FSB] won't allow anyone from the embassy to see him until they finish their interrogation of him," said John Sullivan, who served as the U.S. ambassador to Russia until September. "Everybody's focus right now at the embassy is getting access to Evan. But here is the complicating fact: He's charged with espionage and he's in the custody of the FSB, not the usual pretrial Moscow detention system."

A consular visit is typically the first in a series of steps the U.S. government undertakes to determine whether an American overseas is wrongfully detained, a finding that commits the U.S. government to securing his or her release and dedicates government resources to the effort.

Mr. Gershkovich was detained while on a reporting trip to Yekaterinburg, about 800 miles east of Moscow. He is the first U.S. journalist to be arrested on espionage charges by Russian authorities since 1986, and is one of several Americans the U.S. has said were deemed wrongfully detained by Russia in recent years.

On Sunday, the Russian Foreign Ministry said Mr. Gershkovich was "caught red-handed while trying to obtain secret information, collecting data constituting a state secret under the guise of a journalistic status."

"In the light of the established facts of the illegal activities of the U.S. citizen...his further fate will be determined by the court," it said.

His employer, colleagues and the Biden administration all deny Russia's claim that he was spying on behalf of the U.S., and have called for his immediate release.

Mr. Gershkovich is being held at Russia's Lefortovo Prison, a pretrial detention center run by the FSB. Many inmates languish at the prison for a year or more with little news of the world beyond it, facing near-certain conviction in court. FSB trials are typically conducted in secret, with little to no evidence shared about the case. Mr. Gershkovich appeared in court in Moscow with a state-appointed defense attorney and was ordered held until May 29.

Since Mr. Gershkovich is being held by the FSB, the Foreign Ministry and other agencies within the Russian government bureaucracy might not have influence over the decision to expedite consular access, Mr. Sullivan said. U.S. diplomats said that Russia's Foreign Ministry has seen its influence wane under President Vladimir Putin of Russia.

If a U.S. prisoner overseas is designated as wrongfully detained, the case shifts to a State Department section known as the Office of the Special Presidential Envoy for Hostage Affairs, currently run by Roger Carstens, a retired Army officer and ranger and longtime hand at the State and Defense departments and nongovernmental organizations. The office is focused on negotiating for the release of hostages and other Americans classified as wrongfully detained in foreign countries. Mr. Carstens has played a leading role in recent high-profile cases, including the release from Russia of women's basketball star Brittney Griner.

The designation is a bureaucratic assessment of the circumstances, not a legal determination, according to the State Department.

It starts U.S. government agencies developing a strategy to secure Mr. Gershkovich's release, and unlocks U.S. government resources to work on the case. It broadens the State Department's authority to exert pressure on the host country, monitor intelligence, build diplomatic coalitions, exert media pressure and fight for regular consular access.

Attorneys representing detained Americans complain that some U.S. detainees are more quickly given the status than others. Ms. Griner earned the status of wrongfully detained within three months of her arrest for carrying less than a gram of hash oil in her luggage into Russia.

Tom Firestone, a former legal adviser to the U.S. Embassy in Moscow, is now trying to persuade the government to designate another U.S. citizen, Marc Fogel, as wrongfully detained. Mr. Fogel is serving a 14-year prison sentence after his arrest for carrying about 20 grams of cannabis that a doctor had recommended for a degenerative spinal condition.

Mr. Firestone said Russian authorities targeted Mr. Fogel because he was a teacher at Moscow's Anglo-American School, which Moscow said it suspected was a center of malign foreign influence.

"Failing to designate Marc Fogel as wrongfully detained, the Biden administration is essentially saying that he is rightfully detained and that his 14-year sentence is just," said Mr. Firestone, now a partner with the law firm Stroock and Stroock and Lavan in Washington, D.C.

The U.S. has asked Moscow to release Mr. Fogel on humanitarian grounds, State Department spokesman Vedant Patel said Thursday.

While Mr. Gershkovich's arrest has been widely viewed as an escalation in tensions between the U.S. and Russia, a relationship that had deteriorated since Russia's invasion of Ukraine in February 2022, there is precedent for authorities in Moscow to arrest Americans and hold them on grounds the U.S. deems specious.

In December, Ms. Griner landed in the U.S. after being released from a Russian penal colony as part of a prisoner exchange for a Russian arms dealer—a deal brokered in part by the Office of the Special Presidential Envoy for Hostage Affairs. In Ms. Griner's case, the Russian government delayed granting regular consular access for several weeks, according to Mr. Sullivan, and often forced her to go months without seeing embassy representatives, U.S. officials said.

Ms. Griner was arrested at the Moscow airport in February 2022 on her way to a professional basketball job in Russia during the U.S. offseason, days before Russia's invasion of Ukraine. Ms. Griner was later convicted of drug smuggling and possession and sentenced to nine years in a penal colony.

U.S. officials at the time said that they had tried to broker a deal that would result in the release of both Ms. Griner and Mr. Whelan, but they were unsuccessful in securing Mr. Whelan's release given the severity of the charges.

Since Mr. Gershkovich's arrest, the White House and State Department have pointed to existing warnings against any travel to Russia by U.S. citizens and urged those who are still in Russia to leave immediately.

—Ann M. Simmons and Gwynn Guilford contributed to this article.

WORLD WATCH

MIDDLE EAST

Egypt, Syria Close In On Restoring Ties

Egypt and Syria are in advanced talks to restore full diplomatic relations more than a decade after ties broke down, people familiar with the matter said, as Arab states warm up to Damascus in fast-evolving developments that are reshaping the Middle East's geopolitics.

Egyptian President Abdel Fattah Al Sisi and Syrian President Bashar al-Assad could meet soon after the Muslim holy month of Ramadan ends in late April, the people said.

On Saturday, Syrian Foreign Minister Faisal Mekdad held talks with his Egyptian counterpart in Cairo over strengthening ties between the two neighbors, the foreign ministries of both countries said. It marked the first public visit by a top Syrian official to Egypt since the 2011 Arab Spring uprisings.

Also on the discussion table was Syria's possible return to the Arab League, a group of 22 nations, which suspended Damascus's membership in 2011, the people said.

Egypt and Syria's foreign ministries didn't respond to requests for comment.

—Summer Said

ISRAEL

Government Advances National-Guard Plan

Prime Minister Benjamin Netanyahu's government gave preliminary approval for the creation of a national guard overseen by an ultranationalist Cabinet minister with a long record of anti-Arab rhetoric.

Mr. Netanyahu agreed to move ahead on the force last week after he postponed a contentious government plan to overhaul the judiciary as a way to keep National Security Minister Itamar Ben-Gvir from quitting the coalition.

Critics say the new force is effectively a personal militia for Mr. Ben-Gvir. He says the force is meant to fill in gaps where police are spread thin, including in crime-ridden Arab communities, as well as dealing with Arab-Jewish violence and other issues.

Mr. Netanyahu's office said a committee comprised of Israel's existing security agencies would determine the guard's authorities and whether it would be subordinate to the police, or take orders directly from Mr. Ben-Gvir, as he demands.

Meanwhile, thousands of Israelis took to the streets of Tel Aviv and other cities across the country on Saturday to protest against Mr. Netanyahu's judicial-overhaul plan, seeking to sustain a movement that pressured the premier to delay the divisive plan and engage in negotiations over a compromise.

Saturday night's protests mark the 13th straight weekend that Israelis have come out to demonstrate. Around 230,000 people gathered in Tel Aviv, protest organizers estimated.

—WSJ Roundup

VATICAN MEDIA/AGENCE FRANCE-PRESSE/GETTY IMAGES

Pope Francis blessed the faithful after Mass at St. Peter's Square on Sunday, a day after he left the hospital.

VATICAN CITY

Pope Conducts Mass After Hospital Stay

Bundled in a long, white coat and battling a hoarse voice, Pope Francis presided over Mass in St. Peter's Square before tens of thousands of faithful on Palm Sunday, a day after he left a Rome hospital where he was treated for bronchitis.

Francis, 86, received antibiotics administered intravenously during his three-day stay. His previous appearance in St. Peter's Square saw him conduct his regular Wednesday public audience. He was taken to Rome's Gemelli Polyclinic that day after feeling ill.

His voice sounded strong as he opened the Mass, but quickly turned strained. Despite the hoarseness, he read a 15-minute-long homily, occasionally adding off-the-cuff remarks for emphasis or gesturing with a hand.

—Associated Press

ALGERIA

Journalist Receives Five-Year Sentence

A court in Algiers on Sunday sentenced a prominent journalist in the North African country to five years in prison with two years suspended and ordered his website and a radio station shut based on the accusation that they threaten state security.

Ihsane El-Kadi was detained Dec. 23 at his home in the capital Algiers. He was accused of receiving foreign funding for his outlets. He has remained in custody since his arrest and appeared in court on Sunday for the verdict, along with a collective of lawyers, defending him, journalists and family members.

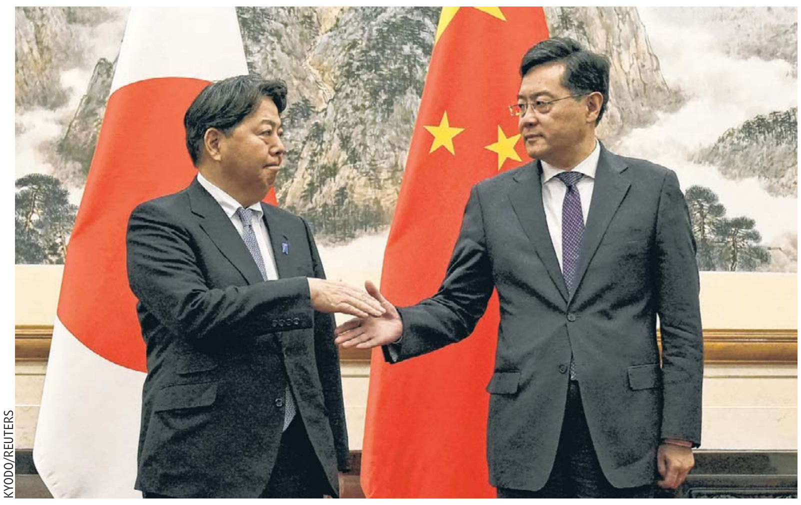
The court also ordered Mr. El-Kadi to pay a fine of 700,000 Algerian dinars, equivalent to $5,200.

The media company that owns Mr. El-Kadi's website and radio station was ordered dissolved, its assets seized, and its owners were fined one million dinars.

—Associated Press

Russia-China Ties Worry Japan

By Alastair Gale
And Austin Ramzy



KYODO/REUTERS

Japan's Yoshimasa Hayashi, left, and his Chinese counterpart, Qin Gang, met in Beijing on Sunday.

TOKYO—Japan's foreign minister raised concerns in Beijing about increasing Russian and Chinese joint military activity on a day when Tokyo formally opened its closest missile base to China.

Foreign Minister Yoshimasa Hayashi told his Chinese counterpart, Qin Gang, that China should play a responsible international role and called for the release of a Japanese citizen detained in China, according to Tokyo's account of the meeting.

Mr. Qin called for friendship and cooperation from Japan, adding countries shouldn't resort to "gangsterism and pressure" in resolving differences, according to a description of the meeting from China's Ministry of Foreign Affairs. He said the case of the Japanese citizen was being handled in accordance with the law.

The accounts of Mr. Hayashi's visit, the first by a Japanese foreign minister to China in more than three years, suggested relations between Asia's two biggest economies remain frosty.

The Chinese side raised issues over Japan's planned release of water from around the Fukushima Daiichi nuclear plant into the sea and its cooperation with the U.S. in restricting the sale of chip-manufacturing equipment.

"Japan should not help a villain do evil. The embargo will only further inspire China's determination to stand on its own feet," Mr. Qin said, according to the Chinese account.

Among Japan's biggest concerns is growing military activity by China in the East China Sea and South China Sea. Japan in December labeled China its biggest security challenge.

As Mr. Hayashi was visiting Beijing, Japan's defense minister was presiding over the opening ceremony for a new military base on a southern Japanese island around 300 miles east of the Chinese coast.

The base on the island of Ishigaki is part of a fortification program for a string of subtropical islands that Tokyo views as vulnerable to China's regional ambitions. It will be equipped with antiship and antiaircraft missiles to deter the Chinese navy and air force.

"Ishigaki and the surrounding islands are the front line of our national defense," Defense Minister Yasukazu Hamada said.

China and Russia conducted joint bomber flights near Japan in May and combined naval drills around Japan. In late March, Chinese leader Xi Jinping visited Moscow for talks with Russian President Vladimir Putin.

Mr. Hayashi expressed serious concerns to Mr. Qin about Russia-China collaboration and China's stepped-up military activities in the East China Sea, according to the Japanese account.

The Chinese foreign ministry's description of the meeting didn't directly address the issue of China's ties with Russia. Mr. Qin spoke more broadly about China's relationship with Japan, calling for "peaceful coexistence, friendship and cooperation," Beijing said.

Chinese naval vessels sometimes pass through Japan's southern island chain when entering or returning from the Pacific Ocean. China has conducted aircraft carrier takeoff and landing drills near the islands, and armed Chinese coast-guard vessels sail close to a cluster of disputed islets on a near-daily basis, Japan said.

The uninhabited islands administratively belong to Ishigaki, the site of the new missile base. Beijing claims ownership of the islets, known as the Senkakus in Japan and Diaoyu in China. The missiles on the Ishigaki base and two other bases in the island chain are short-range weapons intended to defend an archipelago that stretches over 700 miles from near Taiwan up to the Japanese mainland.

Among the weapons to be based in Ishigaki are antiship missiles known as Type 12. Tokyo plans to extend the range of Type-12 missiles within a few years to reach targets on the Chinese mainland, along with ship-launched Tomahawk missiles.

During major Chinese military exercises last August around Taiwan, one missile fired by China fell less than 50 miles from the island of Yonaguni, the closest Japanese island to Taiwan and the site of a military base with a radar station established in 2016. Tokyo plans to deploy antiaircraft missiles at the base on Yonaguni.

On Ishigaki, some people are fearful they will become a target. Ishigaki last had a military base from 1944 until the end of World War II the following year.

"They say China's maritime advancement has to be stopped by placing a missile base on this island. But we hadn't had [a base] for 78 years. Why did they have to newly build it, creating seeds of conflict now?" said Hidemasa Uehara, a 68-year-old doctor who represents a group opposed to the base.

To better defend its southern islands, Japan has also developed its version of the U.S. Marine Corps, which would be tasked with defending or retaking islands in any conflict.

—Chieko Tsuneoka contributed to this article.

Finland's Premier Loses a Tight Race

By Sune Engel Rasmussen

Finnish Prime Minister Sanna Marin suffered a defeat in Sunday's general election, days before the country was set to enter NATO, after a campaign dominated by the economic and security aftershocks of Russia's invasion of Ukraine.

Petteri Orpo, the leader of the center-right National Coalition Party, claimed victory and was projected to gain about 20.8% with nearly all the votes counted. Ms. Marin's Social Democratic Party came in third with 19.9% of the vote, narrowly behind the right-wing populist Finns Party, which took 20% in its best-yet result.

Mr. Orpo called the result "a strong mandate for our politics." Given that no party is large enough to command a majority without governing partners, Finland is now heading into negotiations, led by Mr. Orpo, to form a ruling coalition.

He has kept his options open and can try to form a coalition with Ms. Marin's Social Democrats, or with the far-right Finns Party, led by Riikka Purra, which campaigned mainly on an anti-immigration platform.

Despite losing its majority, Ms. Marin's party improved its share of voters since the last election.

"It's a really good achievement, even though I didn't finish first today," Ms. Marin said in a speech to her party in Helsinki. "Democracy has spoken, the Finnish people have cast their vote, and the celebration of democracy is always a wonderful thing," she said.

The outcome won't affect Finland's accession to the North Atlantic Treaty Organization, which marks a new course for the country after decades of nonalignment.

Ms. Marin became the world's youngest serving prime minister when she was sworn in at the age of 34 in 2019. The Social Democratic leader headed a government coalition of five female party leaders, four of whom were under the age of 35 at the time.

While enjoying celebrity status abroad, at home she is a popular, though polarizing figure. Many Finns applauded her for steering the country through the pandemic as one of the least-affected nations in Europe, and for helming the response to Russia's war in Ukraine. Her critics, though, were worried about mounting national debt under her leadership.

ALESSANDRO RAMPAZZO/AGENCE FRANCE-PRESSE/GETTY IMAGES

Petteri Orpo, who claimed victory, spoke in Helsinki after the vote.

Everyone should be welcome at the table.

We're on a mission to provide a billion meals by 2030. Because over 30 million Americans don't know where their next meal is coming from. It could be anyone, even your neighbors. Let's break the cycle of hunger, together.

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Superfan Seeks Helm At Disney

Continued from Page One

ries about Disney's strategy for its coming slate of animated features.

Ms. Borgstadt knows the traits that she wants in the next CEO. When Mr. Iger, who is now 72, succeeded Bob Chapek as CEO and returned to the post in November, he said he wanted to put more power in the hands of creative executives such as studio chiefs.

"If you don't love the company or care to know about it, then I feel like you're kind of not going to be effective in your job," Ms. Borgstadt said in an interview at her home here in Peoria. "You have to share that same interest, from your shareholders to your fans to the employees."

CAITLIN O'HARA FOR THE WALL STREET JOURNAL

Cori Borgstadt, center, with her siblings Austin and Jeremy, watched a home movie Disney sent to their home in Peoria, Ariz., last month.

For now, Ms. Borgstadt is a college freshman focused on economics and film and media studies at Texas Tech University. She regularly wears T-shirts featuring Pixar characters and has probably seen her favorite movies, including "Up" and "Inside Out," more than 20 times.

The tradition of attending Disney shareholder gatherings began in 2008 after Cori's grandmother bought her and her older sister, Austin, each a single share of Disney stock for Christmas. On a whim, Cori's mom, Jan Borgstadt, suggested they attend the annual meeting just to see what it was like.

At that first meeting in Albuquerque, Cori and Austin spent most of their time playing in the convention-center lobby with costumed characters representing Mickey Mouse, Minnie Mouse, Pluto and the princess Giselle from "Enchanted."

The family was hooked. Since then, Cori and her parents have blocked out the week of Disney's annual shareholder event.

"For a while, we were just joking, 'Where's Disney going to choose for our vacation this year?' " said Cori's mom, an estate lawyer who picks stocks as a hobby.

Cori is the second of three children adopted from China and Taiwan—she is from China—by Jan and her husband, Todd. She grew up in a quiet subdivision of nearly identical, one-story tan houses in the Phoenix suburbs, where limited-edition Disney DVD box sets line the shelves of the family room and framed original Disney animation cels hang on the dining nook's walls.

Mr. Borgstadt is a former military policeman who suffered a spinal injury in a shooting accident while on duty at a military base, which has forced him to use a wheelchair since age 22. The family avoids beach vacations, preferring wheelchair-accessible trips like those to the annual shareholder meetings and, of course, the occasional jaunt to Disneyland.

Each year, until the pandemic, the vacation plan was the same. The Borgstadts would travel to wherever the shareholders' meeting was being held, Cori would ask the CEO a question, and then they would go sightseeing and get to know the city.

In Chicago in 2016, when Ms. Borgstadt asked Mr. Iger why the company didn't offer tours of Pixar's studios, Mr. Iger thought he had heard her name before.

"I remember you. We talked about summer camp once, didn't we?" Mr. Iger asked. They had, two years before in Portland, Ore. Cori wanted to know why Disney didn't offer summer camps for children. Mr. Iger had told her the camps were a good idea but might be hard to run as a business.

In St. Louis in 2019, Ms. Borgstadt asked Mr. Iger how he knew when he was making the right decision as CEO—and then asked him if he would get lunch with her in Los Angeles a few months later to talk more.

Mr. Iger struck a humble tone in his answer, saying he relies on the judgment of his talented senior-management team, but noted that most creative decisions "are based on pure instinct."

As for lunch, he said, "We can negotiate that." A few minutes later, he sounded regretful at having rejected the meeting. "I don't know, I sound mean," he said, before moving on to the next question.

In a written statement for this article, Mr. Iger said: "One of the things that makes Disney unique is the deep connection and passion so many of our individual shareholders have for our company, and that's certainly true for Cori. We couldn't be more appreciative to have investors who love Disney as much as she does."

Ms. Borgstadt has shown a high level of ambition in the past, despite her inexperience. Her mom said that in 2014, when Cori was in the fourth grade, she told her daughter that Mr. Iger had announced he would retire as CEO in two years.

"She goes, 'OK, I'll be in sixth grade, and I could do it,' " the mother recalled.

Cities Cut Back on Parking

Continued from Page One

inexpensive or free on-street parking create the appearance of scarcity when in fact spots often are plentiful nearby. Drivers prefer to circle the block looking for government-provided curbside parking rather than paying more in a privately owned garage. That adds to congestion.

Meanwhile, garages are rarely full. A 2012 survey by real-estate firm Colliers International found downtown parking garages in most major U.S. and Canadian cities have at least 20% vacancy during weekdays and on weekends during special events.

Mr. Shoup estimates there are between 700 million and 2 billion spaces in the U.S. That equates to between 2½ and seven spots for every registered vehicle. There are no official government statistics.

Granting exceptions

Dozens of cities across the country have eliminated at least some minimum-parking requirements, including big coastal cities such as New York City and San Francisco, and smaller ones such as Norman, Okla., and Bend, Ore. Last year, California abolished parking minimums statewide for new construction near public transit.

Places that still have parking requirements are now more willing to grant exceptions.

Three years ago, the Charlotte, N.C., city council granted a rezoning request to Grubb Properties, a local developer, to build a 104-unit apartment close to downtown with no resident parking at all.

That enabled it to build about 25% more units than would have been possible had the building included parking, said Clay Grubb, the company's chief executive. Fitting in more units means rents will be about $250 lower than they otherwise would have been, he said.

The building, which is set to open next year, will feature bicycle storage areas. It sits along a greenway close to downtown, and Mr. Grubb expects many residents will bike to work.

Mr. Grubb contrasted the Charlotte development with a 405-unit apartment project in Aurora, Colo., where city rules require him to build 485 spaces even though he estimates residents will only need 390. "That is a complete waste of money," he said.

Building those extra spots, which subtracts from the space available for apartments, he said, will add more than $100 to the average rent. The building sits next to a major hospital complex and not far from public transit. Mr. Grubb expects many of his future tenants to be hospital employees who will find it quicker to walk to work than to drive.

Michael Brannen, a spokesman for Aurora, said city parking requirements take into account the neighbors of residential or commercial properties, who often worry that new developments will overwhelm the neighborhood's parking supply.

Zoning rules

America's parking glut has its roots in zoning rules first passed in the 1950s, when car ownership was on the rise and urban planners worried there weren't enough curb spaces for all the new drivers. Many municipalities imposed detailed parking requirements for every type of land use. In Los Angeles, for instance, churches must include one spot for every five seats in the pews. Hospitals must have two per bed.

Parking mandates resulted in an abundance of parking, particularly in the West, where development boomed after they took effect. Parking covers about 14% of the land area in Los Angeles County, according to one study by a group of researchers from Arizona State University, UCLA and Georgia Tech University. That is an area almost as large as Houston.

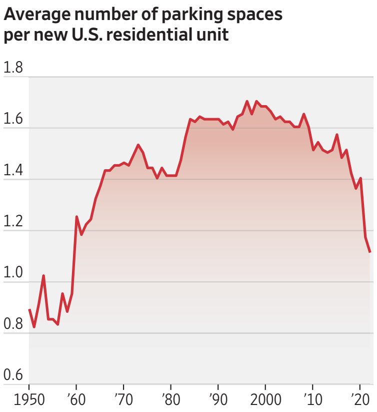
About 20 years ago, researchers and local leaders began challenging the rationale behind those rules. A 2016 study by C.J. Gabbe, a professor at Santa Clara University, and Gregory Pierce of UCLA found many of those spots are rarely used. The cost of providing all those spots is passed on to consumers in the form of higher rents or retail prices that even nondrivers pay, subsidizing drivers.

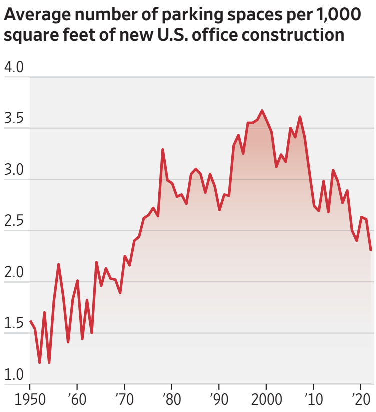
A garage adds about 17% to the average rent, the study found. Almost three-quarters of carless renters have a parking spot included in their rent. They collectively pay $440 million a year for parking they don't need, the study concluded.

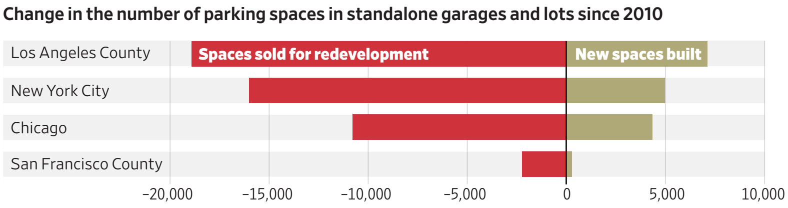
One of the earliest experiments with reducing parking came in 1999 with a Los Angeles ordinance designed to turn neglected downtown office buildings into apartments and condominiums.

To encourage builders to take a chance on what was then a moribund part of town, the ordinance made them exempt from parking requirements thoughferbidden from removing existing spaces.

That allowed builders to pack more units into the buildings and offer them at lower cost. In a 2013 paper, Michael Manville, a UCLA urban-planning professor, studied 56 of those refurbished buildings that added about 6,700 new units, and found that 2,640 of them wouldn't have been economically viable had existing parking rules prevailed.







Sources: Yardi Matrix (per new residential unit); CommercialEdge (per square feet); CoStar (change in parking spaces)

PHILIP CHEUNG FOR THE WALL STREET JOURNAL (2)

Josh Gray-Emmer, above left, moved to a renovated building in Los Angeles that was exempt from the city's parking requirements. Above right, downtown LA from the top level of a parking garage.

In many cases, developers were able to lease existing spaces in the neighborhood to provide parking for a fee for residents who wanted it.

Josh Gray-Emmer moved to one of the renovated buildings 20 years ago and later bought a condo in another, an old hotel where Charlie Chaplin once lived.

At first, he paid to park in a neighboring garage. About eight years ago, he gave up his car and parking spot, saving $250 a month and, he said, improving his quality of life.

The ordinance kicked off a wave of downtown redevelopment that has brought $35 billion in investment and boosted downtown's population from 18,000 to around 85,000, said Nick Griffin, executive director of the Los Angeles Downtown Center Business Improvement District.

"Eliminating parking requirements can have this huge impact on the quality of life and sustainability of a community," said Sara Bronin, an architecture professor at Cornell University. "It is among the most significant changes that a local government can make."

The shift away from parking picked up steam about a decade ago, as more people moved downtown for closer access to jobs and amenities. A rebound in apartment construction following the 2007-09 recession led governments to plan for denser, more walkable neighborhoods, which meant less land set aside for cars.

In 2017, Buffalo, N.Y., became one of the first big cities to eliminate minimum parking requirements citywide.

"The priority was people are looking for a place to live, not to park," said Brendan Mehaffy, the city's director of strategic planning.

Developments approved in the first two years after the change provided 21% fewer spots than would have been required under the old rules, according to a study by the University of Buffalo. It also contributed to a development boom in the city's downtown that helped arrest decades of decline.

The latest once-a-decade Census count, done in 2020, showed Buffalo's population grew for the first time since the 1950 Census.

One former parking lot on the east side of downtown is now a grocery store and 201 units of affordable housing, with limited on-site parking.

Buffalo has since become a model. Mr. Mehaffy frequently speaks to planners elsewhere looking to replicate the city's parking policy.

The changes are starting to have an effect nationwide. Apartment buildings completed in 2022 included an average 1.1 spaces per unit, down from a peak of 1.7 in 1998 and the lowest parking ratio since 1959, according to Yardi Matrix, a data provider.

New office construction in 2022 included 2.29 spots per 1,000 square feet, down from a peak of 3.66 in 1999, according to CommercialEdge, a data provider.

Major retailers are also rethinking their parking supply. Macy's Inc. has started redeveloping some parking lots near its department stores, leasing the space to fast-food restaurants, coffee shops or banks.

The revival of downtowns has led developers to turn old parking lots and garages into new buildings. That has caused anxiety among some drivers and parking executives.

Lost spots

Since 2010, Los Angeles and New York City have each lost more than 11,000 spots as old parking lots and garages get redeveloped, according to an analysis performed for The Wall Street Journal by real-estate firm CoStar.

In Philadelphia, the city estimates the number of parking spots in downtown garages fell to 45,898 in 2020, from 50,023 in 2010, replaced by office and condo towers.

A 22.5% gross-receipts tax on parking operators is pushing many to sell or redevelop their properties, said Robert Zuritsky, chief executive of Parkway Corp., a Philadelphia real-estate company that owns and operates parking facilities.

"You went from the city through policy and regulation forcing you to build too much parking to now really they're forcing developers to not have any parking at all," he said.

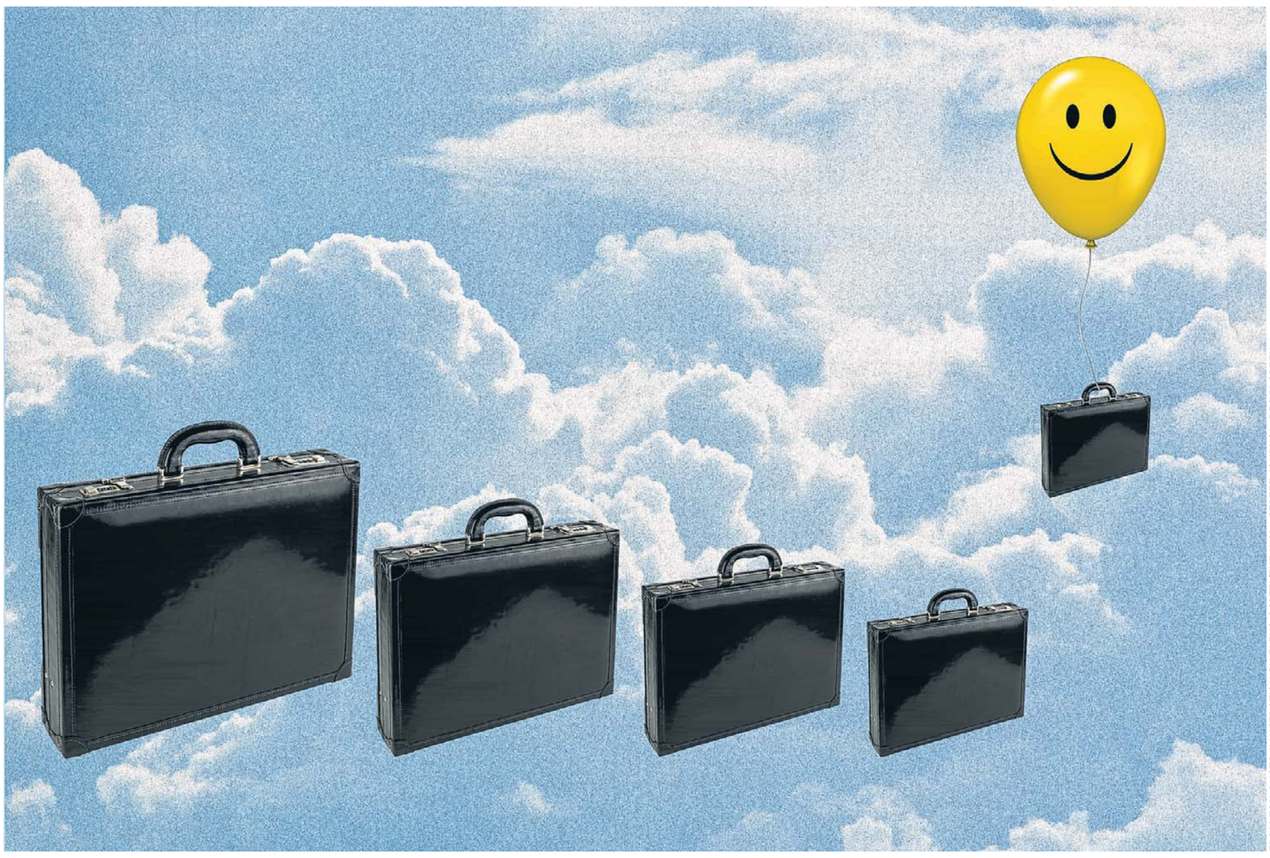
Rebecca Lopez Kriss, Philadelphia's deputy revenue commissioner, said the city uses the tax to encourage more high-value development downtown.

"The parking tax is really one strategy to promote alternative transportation options and sustainable land use," she said.

The 19-story headquarters building for the law firm of Morgan Lewis & Bockius is going up on a former parking lot. Comcast Corp. built a $1.5 billion skyscraper on another lot. Elsewhere, hotels and apartments have gone up on land once used to park cars.

Corie Moskow, who works downtown, used to park on the lot that will become the Morgan Lewis building. "Now I'm adding an extra half an hour in the morning just to make sure I can find a spot," she said.

WORK & LIFE
RACHEL FEINTZEIG



FROM TOP: PHOTO ILLUSTRATION BY ELENA SCOTT/THE WALL STREET JOURNAL; BECKY GREEN

Working Less Gets a Promotion

From going part-time to four-day weeks, Americans are reconsidering their relationship to work

Stephen E. Griffith was working up to 80 hours a week. He was frustrated by the bureaucracy of mounting meetings and craved time with family. So in 2021, he left his thriving practice at a Kansas City, Mo., hospital, and decided to work less.

The neurosurgeon now puts in about one-half to two-thirds of the hours he used to, picking up temporary assignments through a medical-staffing agency, sometimes traveling as far as Oregon. He's still a doctor and still heals people. But he also goes on midmorning jogs with his wife. He drives his kids to music class. He has taken more vacations in recent months—to Hawaii, Grand Cayman, Mexico—than during entire years of his past life as a hospital-employed physician.

"Time is a currency," the 47-year-old says. "Gone are the days where you sign on the dotted line and you can be there for just as long as they tell you to be."

People with all sorts of jobs seem to agree. They're reconsidering their relationship to work, how much of their time it swallows, and making changes. In February 2023, 21.9 million Americans were working part time voluntarily, up from 20.7 million the prior year. Meanwhile, some participants in a four-day workweek experiment in the U.K. say there's no amount of money that could make them go back. Lawmakers stateside have taken notice, proposing legislation that would cut the standard workweek here to 32 hours.

It's hard not to look around and wonder: Would my life be better if I worked less?

Newfound freedom

"You have this sense of, you've taken control of your life," says Kevin Richardson, who works about 25 hours from Monday through Thursday for a small creative agency. "You see the work as part of your life, rather than the center."

Dr. Richardson shifted to part-time freelance work last year at the behest of his wife, Lindsay King, who was already down to 15 to 20 hours a week. (Both have Ph.D.s in history.) Freed from the cost and stress of finding paid child care, they can swap who's in charge of their 1- and 4-year-old boys. They have even been able to relocate to international spots for months at a time.

Speaking recently from a house set amid olive and orange groves in Kalamata, Greece, Dr. King told me she can't see herself returning to full-time work, even when her kids are older. "I would just have many other things I want to do with my life," she says, citing travel, volunteering, gardening and long-distance running.

Not that it's picture perfect. The couple hasn't amassed enough savings to buy a house in Texas, their home base, and they know they work at the whims of the organizations for which they freelance. Their gigs could dry up at any time.

For environmental engineer Megan Neiderhiser, Fridays are set aside for yoga classes and playing with her children.

'Why did we all work five days?'

For plenty of workers, the possibility of putting in fewer hours simply isn't an option because they need the money—especially amid inflation—or because of the type of jobs they do.

Some people working fewer hours, including Dr. Richardson, told me they make the same money as before. But contractors are on their own for health insurance and miss out on company benefits like paid time off.

Other workers take big pay cuts to shift to part-time hours only to contend with pressure to pop open their laptops on their day off anyway, or find they are cut off from key company discussions and promotions.

The answer could be entire organizations where everyone's putting in fewer hours, says Brendan Burchell, a sociology professor at the University of Cambridge who has studied how work hours affect psychological well-being.

Humans need work to give structure to our days, to bestow purpose and self-esteem, he says. But we don't need that much of it. A 2019 paper from Prof. Burchell and several co-authors found that people performing one to eight hours of paid work a week got the same mental health boost—less anxiety, less depression—as those who work 44 to 48 hours a week.

In the future, "We'll look back and think, why did we all work five days?" Prof. Burchell says.

The part-time business model

Employing mostly part-time workers has helped Sam McKenna's sales-consulting business be nimble and save money.

"We don't have people who we're paying 40 hours who only need 20 hours to get their jobs done," the Washington, D.C.-area resident says. "We don't pay overly competitive salaries. We don't have health benefits."

And yet, job candidates flood the team with inquiries each month, Ms. McKenna says, even when the company doesn't have openings. Before the pandemic, it was mostly stay-at-home moms, as well as military and expat spouses who would express interest. These days, Ms. McKenna says she hears from high-powered executives at major consulting and financial-services companies who crave meaningful work, but want a slower pace.

Ms. McKenna initially envisioned herself working part time, too. She left her job at LinkedIn to launch the business in late 2019 with a goal of making half the money she had previously, in half the time she used to spend working.

"I wanted balance," she says. But as clients kept coming, she swiftly ramped up to 60 hours a week. Keeping up with demand took, well, more work. "You can only do so much part-time."

Peak performance

Many have found their long hours give diminishing returns.

A full-time employee earlier in her career, environmental engineer Megan Neiderhiser remembers loitering by the water cooler, chatting with colleagues. Now, working 30 hours a week, but aiming for the same revenue targets as her full-time colleagues, she bookmarks every hour for specific goals and doesn't waste her 40-person team's time with excess meetings.

Fridays are for yoga classes and playing with her kids, affording her time to think and relax. The Salt Lake City resident says she has better ideas and a better attitude come Monday.

"I'm just convinced," she says, "this is my top performance."

Cancer Patients Have New Choices

By Brianna Abbott

Mary Ellen Boyd plays pickleball, hikes and goes line-dancing once a week. When the 81-year-old retiree in Connecticut was diagnosed with breast cancer last year, she decided to have just part of her breast removed and skipped some treatment to keep her dance card full.

"Once I got my arms around it and really understood it wasn't a death sentence, then next thing I wanted to do was say, OK, how do I maintain my lifestyle?" she said.

More cancer patients are making decisions about their own care, informed by evidence that some people with breast and prostate cancer can choose less treatment without hurting survival. The shift is sparing them from side effects, even as it presents risks of some cancers progressing further than they would have after more aggressive care.

"Patients have many more options today than they did even a few years ago," said Dr. Jean L. Wright, a radiation oncologist and breast-cancer specialist at Johns Hopkins University School of Medicine in Baltimore. "It makes the decision process much more complicated."

The deliberations are part of a move toward more personalized care for many types of cancer, made possible by more targeted treatments and more sophisticated tests. Doctors are seeing whether they can safely reduce surgery, chemo and radiation for a range of early cancers including head-and-neck, thyroid and lung.

Cancers of the breast and prostate are among the most common forms in the U.S. and the second-leading cause of cancer death for women and men, respectively, behind lung cancer. But for many patients who are older and diagnosed early, cancer won't be what kills them. That reality is giving them more latitude in their choices as treatments evolve.

John Thomas was diagnosed with early-stage prostate cancer in 2020 that his doctors said was small and slow-growing. Mr. Thomas expected he would need treatment. But his doctors told him some patients can safely monitor such tumors and delay surgery and radiation that risk side effects including incontinence and erectile dysfunction.

Mr. Thomas decided to monitor his tumor. The 62-year-old teacher in Philadelphia is retiring at the end of the school year and plans to travel the country in a customized SUV he nicknamed "the Beast" between check-ins every six months.

Mary Ellen Boyd, who was diagnosed with breast cancer last year, dances at her class in Connecticut.

"I don't want to deal with those side effects if I don't have to," he said. "It's like an interest-free loan."

Alexander Kutikov, a urologist at the Fox Chase Cancer Center in Philadelphia and Mr. Thomas's doctor, said a big part of his work is making sure men with early stage prostate cancer know delaying treatment can be just as good of a choice. "People land on their preferences pretty quickly," Dr. Kutikov said.

Some patients want to do more to put cancer behind them and avoid further treatment when they are older. Lynette Stevenson, a 63-year-old housekeeper in Detroit, chose a lumpectomy after being diagnosed with breast cancer in 2021. She said she underwent both radiation and hormone therapy afterward to take the best shot at saving the rest of her breast and her life.

John Thomas plans to travel in his SUV nicknamed 'the Beast' between prostate cancer check-ins.

Radiation is less taxing and more targeted than it used to be, and some patients can get the same benefits in fewer sessions, radiation oncologists said. Miss Stevenson said she gets hot flashes from the hormone therapy pills but is doing well. "I had heard so many war stories about cancer, but it's changed so much," she said.

General health is important in determining a course of treatment as many people live longer. "Our definition of an older patient is changing," said Dr. Michael Dominello, a radiation oncologist at the Barbara Ann Karmanos Cancer Center in Detroit and Miss Stevenson's doctor.

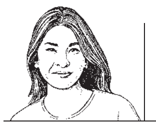
Nancy Smith, an 82-year-old retiree in Austin, said she decided against radiation after breast-cancer surgery in 2021 because her doctor said she wasn't at high risk of recurrence.

Attending weeks of appointments would have been difficult, Ms. Smith said, and she was wary of radiation's side effects, which can include fatigue and skin irritation. "I'll continue my mammograms every year and hope for the best," she said.

Ms. Boyd got radiation but not hormone therapy after learning the treatment would only marginally improve the chances of keeping her cancer in remission. The threat to her hiking and dancing wasn't worth it, she said.

Ms. Boyd had radiation therapy once a week for five weeks. She took a trip to Rome with her family last year to celebrate when it was over. "If it comes back, I could get a mastectomy," she said. "I still have options."

FROM LEFT: LILA BARTH FOR THE WALL STREET JOURNAL; JOHN THOMAS



PERSONAL TECHNOLOGY
NICOLE NGUYEN

The Best Trackers For Finding Lost Stuff

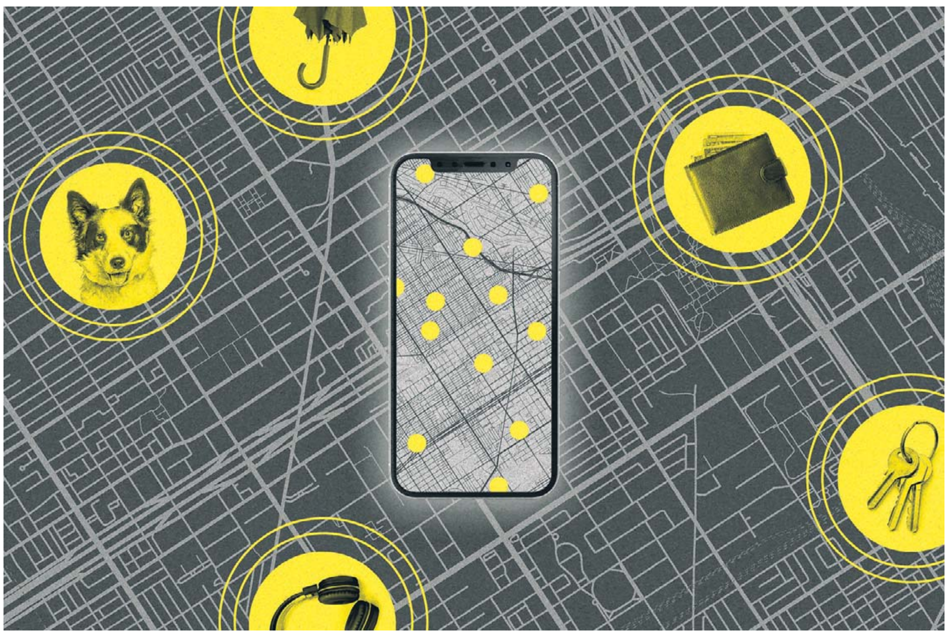


PHOTO ILLUSTRATION BY DAISY KORPICS/THE WALL STREET JOURNAL; ISTOCK (6); PIXELSQUID

My Tile Slim tracker has saved me countless hours of searching.

Unlike a rounded AirTag, it's thin and slips right in my wallet. I used to scramble around the house, looking for my transit pass. Now, I just ring the Bluetooth tracker from my phone.

Recently, though, I wondered whether I should switch from my trusty Tile to the new competing Chipolo Card Spot. It's just as sleek, with an advantage for iPhone owners: The tracker works with **Apple** Inc.'s Find My, the same vast network that locates AirTags (plus iPhones, AirPods and other Apple gear).

Using a tracker at home is relatively straightforward: Your phone talks directly to it. But when you leave something at the airport, for instance, strangers' devices must be relied on to spot your item.

On Apple's Find My network, wireless sensors in all those millions of iPhones, iPads and Macs in the wild can securely locate compatible trackers. When someone with an Apple device walks by a misplaced wallet with a Chipolo tracker, the Find My network can update the wallet's location in the owner's app.

Soon after the AirTag's launch, Tile upped its own game by joining **Amazon**.com Inc.'s Sidewalk network. In this case, it's a massive population of Echo and Ring devices that do the tracking.

If you want to keep tabs on important stuff, like a wallet or a passport holder, a Bluetooth tracker is useful. But which product line—Apple Find My or Amazon-backed Tile—is better for you?

Device compatibility

Apple's AirTags ($29) and Find My accessories from other brands, such as Chipolo's Card Spot ($35), can be tracked only by iPhones and other Apple devices. (Not all Chipolo products are on the Find My network.) Tile's Slim ($35) and other models work with the Tile or parent company Life360 Inc.'s apps, both available on iOS or Android.

Apple Find My accessories are tightly integrated with the iPhone. I opened each app daily to check in on the whereabouts of my items and ring them. Over 10 days, according to my iPhone's battery settings, the Tile app drained my battery just slightly more than the Find My app.

Community search power

A few years ago, Apple and Amazon powered up encrypted connections in the devices we already own to create expansive, invisible wireless networks. Apple says Find My includes hundreds of millions of iPhones, iPads and Macs around the globe. Tile trackers can connect to more than 50 million users who run either the Tile or Life360 app, according to a spokeswoman.

Now Tile products are also integrated into the Amazon Sidewalk network. Amazon automatically turned on Sidewalk for compatible Echo and Ring devices in June

> Tile upped its own game by joining Amazon's Sidewalk network.

2021. The company doesn't say how many devices are in its network, but it did recently publish an impressive coverage map. Amazon says its network reaches more than 90% of the U.S. population.

Both trackers work best in urban areas—more people means more chances to find your stuff. Amazon Sidewalk is active only in the U.S., so Apple's Find My network works better than Tile abroad, because of the global prevalence of Apple devices. In Paris, where I tested the devices, the Find My network spotted the Chipolo card in a park within minutes. During this 30-minute remote field test, my Tile tracker never turned up in the Tile app.

Finding trackers at home

At home, these trackers ordinarily connect to your phone over Bluetooth. In my testing, that works even in multilevel homes, but thick walls and other obstacles can cause interference issues. The range is up to 200 feet but often around 30 feet.

The Find My and Tile apps show your tracker's general location. The map can't pinpoint which room it's in, though. For hunting down the item's exact whereabouts, Chipolo's Card Spot and Tile Slim have speakers that emit an audible ring.

AirTags use Apple's precision-finding feature, which steers newer iPhones (starting with the iPhone 11) in the direction of the tag. Unfortunately, the Chipolo product and other third-party Find My gadgets don't have this. When I open the Find My app, the map shows my wallet with a big blue bubble around my apartment building. To find it, I need to make it ring, which could be a deal breaker for people with hearing loss. The Tile app has you playing a "hotter/colder" game by sensing the tracker's Bluetooth signal strength. As I got closer, the reading went from "moderate" to "strong." It's helpful but not as sharp as an arrow pointing at an AirTag—or even just listening for the Tile tracker's chirp.

Both systems can alert you when you leave your item behind. While Tile was quicker than the Find My app, Tile charges $30 a year for this, along with other premium perks.

Location data privacy

You need to enable location services for both Apple's Find My and the Tile app to track your items. Apple fully encrypts location data end-to-end, which means only the tracker's owner can see an item's location. Neither Apple nor third-party Find My product makers can access that data.

Last year, people raised concerns about the use of Apple's AirTags for stalking purposes. This involves others planting a tracker on you, rather than accessing a tracker you own. Tile protects location data from hackers, but it could decrypt data on its servers. Life360, Tile's parent company, says it won't sell your data and location information is anonymous. According to the privacy policy, it might disclose personal data in response to law enforcement requests.

Amazon says it applies several privacy layers to tracker location data picked up by Sidewalk devices such as Echo speakers, and that customers can't view data about other products connecting via their devices.

Battery replacements

Both Chipolo's Card Spot and the Tile Slim, like many lithium-ion gadgets, have irreplaceable batteries. The Card Spot has a two-year lifespan, while the Tile model will work for three years. (AirTags run on replaceable coin batteries.)

The Pebblebee Card ($30) is a Find My compatible wallet tracker with a rechargeable battery. However, its battery lasts only a year, and charging it requires a special cable. You might need an extra tracker—just for that wire.

Learn more about the impact your journalism career can have on the world. Wall Street Journal reporter Erin Ailworth and others share career advice at **dowjonesnewsfund.org/careers.**

DOW JONES NEWS FUND

WHAT'S YOUR WORKOUT? | JEN MURPHY

Injured Marathoner Sprints in the Water

A broken ankle didn't stop Maren Wiseheart ahead of her first ultramarathon. Determined to race, she logged her training miles in a pool. Now water workouts are central to her exercise routine.

A self-described "average" runner, Ms. Wiseheart, 41, had previously completed a handful of half-marathons and two full marathons.

Late last summer, three months from the Marine Corps Marathon 50K in Arlington, Va., her ankle injury forced her to rethink her training for the 31-mile race. Runs of 20 miles or more were off the table. She hated swimming. She got bored on her Peloton bike.

A Google search led her to Fluid Running, an app-based, deep-water running program. "At first I imagined grandmas in floral caps aqua jogging," the Dallas area-based nurse practitioner says. She was surprised to find the workouts very similar to land-based running.

A flotation belt suspends the body in an upright position in the water at shoulder level, allowing the legs to mimic a running stride, minus the impact.

"The first sessions were awkward, but once I figured out the technique, I could really elevate my heart rate," she says. Ms. Wiseheart hired a deep-water running coach who worked with her remotely for two months leading up to the race.

If her land-based program called for an 18-mile run, she would estimate how long that would take her to complete and run for that amount of time in the pool. Her coach also had her doing speed work, such as 400- and 800-meter reps, as well as tempo drills where she would run at her race pace, trying to hit a certain heart rate.

Eventually, Ms. Wiseheart started integrating land-based workouts into her training, but never ran more than 13 miles ahead of the race day. Her goal was to complete the ultramarathon in 6 hours and 30 minutes—she crossed the finish line in 6 hours 29 minutes and 59 seconds.

"Leading up to the race, I kept telling myself I could always switch to the marathon distance or walk," Ms. Wiseheart says. "But part of me wanted to be a badass and give it my all. I was blown away with my finish based on how little I ran [on land] for training," she adds.

Ms. Wiseheart, who now integrates deep-water running into her regular training regimen, is preparing for Grand Circle Trailfest. The three-day trail-running event in Utah includes back-to-back runs ranging from 10 to 16 miles.

The workout

Ms. Wiseheart typically trains between 5 a.m. and 6 a.m. The last month leading up to her ultramarathon, she did four pool workouts and two land-based workouts a week. Endurance deep-water running workouts could last four hours. She now does two to three days of deep-water running using app-based workouts, plus land-based runs and Peloton sessions. She says the reduction of pounding on the pavement or trails has left her less exhausted, and her muscles less inflamed.

Ms. Wiseheart and her husband have a pool in their backyard where she can train in the summer.

"Dallas gets so hot, so it's much nicer to do a three-hour run in the pool," she says. In fall and winter months, Ms. Wiseheart trains at the pool at her local YMCA. When she trains on land, she runs a loop around a lake path near her home or goes on gravel bike rides.

Water workouts are central to Maren Wiseheart's exercise routine.

COOPER NEILL FOR THE WALL STREET JOURNAL

The diet

Beverage no-nos: Ms. Wiseheart cuts soda and alcohol from her diet while training.

Prerace fuel: Avocado toast topped with tomato, feta cheese and, occasionally, prosciutto.

Lunch: She tries to grab a soup or salad from the hospital cafeteria.

Dinner: Ms. Wiseheart and her husband take turns cooking. "He keeps me eating right," she says. "He's from Argentina, so we do a lot of grilled chicken with a salad or side like scalloped potatoes."

Postrace splurge: "I'm always on a mission not to lose weight when I run, so after a race I full-on carb-load, eating dumplings, pierogies and anything that will stick to my ribs," she says.

ARTS IN REVIEW

ESTATE OF EVELYN HOFER (3)

Evelyn Hofer's 'The Duomo, Florence' (1958), far left; 'Girl With Bicycle, in the Coombe, Dublin' (1966), left; and 'Gravediggers, Dublin' (1966), below

ART REVIEW

Pursuing the Enduring Image

By William Meyers

Atlanta

When she learned I was going to see "Evelyn Hofer: Eyes on the City" at the High Museum of Art here, a friend emailed, "I love love love Hofer." People who know photography and know Hofer tend to "love" her; it is an intention of this exhibition to give Hofer the recognition she deserves. Greg Harris and April Watson, the curators of photography at the High Museum and Kansas City, Mo.'s Nelson-Atkins Museum of Art, respectively, have assembled more than 100 vintage prints from the holdings of their institutions and the artist's estate, concentrating on the work she did between 1958 and 1967 for books on Florence, London, Spain, New York, Dublin, Washington and Paris. The show makes clear why Hofer was not a celebrity in her own time but should be one now.

Evelyn Hofer was born in Germany in 1922. Hitler's rise prompted her liberal family to move to Switzerland in 1933, and it was there she studied photography with Hans Finsler, an adept of the "new objectivity," art that was matter-of-fact, precise. She moved with her family to Madrid and then to Mexico, and by 1946 she was in New York producing photo essays for Harper's Bazaar, working with its art director, Alexey Brodovitch. Photo-historian Jane Livingston included Brodovitch in her book "The New York School: Photographs, 1936-1963" along with Diane Arbus, William Klein, Helen Levitt and others, but Hofer was not among them; she had a different temperament and a very different technique.

A mutual friend recommended that Hofer take the pictures for Mary McCarthy's "The Stones of Florence" (1959). The resulting photographs do not illustrate McCarthy's text, which deals with the bustle of contemporary Florence, but are a separate essay on the timeless city. The relationship is similar to that between Walker Evans's photos and James Agee's text in "Let Us Now Praise Famous Men," and it was the same relationship Hofer would establish with her other authors. Before she began shooting in Florence, she did extensive research on the city and spent time walking around taking notes and drawing sketches; her notebook is in a vitrine with copies of the published book. Garry Winogrand, Robert Frank and other "street photographers" from this period did not work that way. And, unlike them, she did not use an inconspicuous 35mm camera, but a cumbersome 4-by-5-inch view camera mounted on a tripod.

Hofer wanted, she said, to show that the buildings had been there for 500 years and would be there for another 500. For her picture of "The Duomo, Florence" (1958), she scouted for a building opposite it and got permission to shoot from an upper floor. She waited until the sun created the shadows she thought best. The tightly framed church fills the print. The large-format negative captured minute details. There are no people. She was not after "the decisive moment," but something more enduring. And she had no truck with the blurry, off-kilter, grainy photography then in vogue. "The Stones of Florence" and Hofer's other books were run off in Switzerland by Conzett & Huber in gravure printing, which accounts for the high quality of the images.

There are many people in her succeeding books. The man in "Flower Show, London" (1962) may have been photographed candidly, as was the fashion, but the other portraits were collaborations with their subjects, and the relaxed attention with which they regard her shows she had won their trust. Notable examples are the "Headwaiter, Garrick Club, London" (1962), minding his post; the "Blind Shepherd, Spain" (1963), holding himself erect while wrapped in a blanket; the "Civil Servant, Washington, DC" (1965), standing with arms akimbo in a long, nondescript corridor; the three casual "Gravediggers, Dublin" (1966), resting on their shovels; and the black teenager sitting on his bicycle before the "Queensboro Bridge, New York" (1964). Most of these seem casual, but Andreas Pauly, who worked with Hofer and is now the executor of her estate, says that for some pictures there are as many as 20 negatives, taken as she worked to get exactly what she wanted.

"Queensboro Bridge" is in color, as are the delicate "Cemetery Detail, Barcelona" (1963); the highways leading to the Port Authority Bus Terminal, "Arteries, New York" (1964); the atmospheric "Dublin Sky" (1966); and the sweet "Girl With Bicycle, in the Coombe, Dublin" (1966). These and the others in color are all dye transfer prints. But unlike William Eggleston, who used the process to get sparkling colors, Hofer created works whose tones are muted, somehow reverential. This, too, sets her apart from her contemporaries.

Hofer died in 2009. Mr. Pauly has been working with the German publisher Steidl on a series of Hofer photo books; these have been successful and more are on the way. The High exhibition moves to the Nelson-Atkins later this year. There is an audience now for Hofer's meditative, accomplished art.

Evelyn Hofer: Eyes on the City
High Museum of Art, through Aug. 13

Mr. Meyers writes on photography for the Journal. See his photographs on Instagram at @williammeyersphotography.

CULTURAL COMMENTARY

Waxing Jazz in a Shack by the Track

By John Edward Hasse

One hundred years ago in a ramshackle studio by a noisy railroad track in Indiana, Louis Armstrong and a handful of other innovative black musicians made their first discs. The pioneering sides of hot New Orleans jazz they waxed for Gennett Records would generate fame, favor and influence. Their very act of recording set a precedent for crossing the color barrier, created ripples of excitement on Chicago's South Side and across the land, and furthered the jazz revolution of pulsing rhythms, bluesy inflections and inspired improvisations.

The upstart label, established by the Italian-American Gennett family in 1917 as an offshoot of a piano company, was based in the small industrial city of Richmond, Ind. "The studio was primitive, the room wasn't soundproof," wrote songwriter Hoagy Carmichael, "and just outside was a railroad spur with switch engines puffing away noisily." When a train came by, the stylus would jump out of the groove and ruin the wax master. To keep the disc soft enough to register sound vibrations, the unventilated studio was kept at 85 degrees.

In 1919, Gennett was sued by the behemoth Victor Talking Machine Co. for violating its patent over "lateral-cut" technology. Three years later, David beat Goliath when Gennett won the right to use the process, boosting its business.

After belatedly discovering a market among African-Americans, companies were rushing to issue recordings of black female vaudeville singers, often performing blues numbers. But the majors mostly ignored the hot style of polyphonic New Orleans jazz. Then Fred Gennett heard that several Crescent City musicians in Chicago were generating abundant buzz. Joe "King" Oliver's marvelous two-cornet breaks with the brilliant Louis Armstrong were drawing overflow crowds to the Lincoln Gardens dance hall, the largest and most popular on Chicago's South Side. Tens of thousands of African-Americans made their home in that part of the city, many of them transplants from the deep South eager to hear bluesy sounds.

Gennett signed Oliver to his label, but there was nothing altruistic about it: It was all business. On April 5, 1923, Oliver's Creole Jazz Band made the six-hour train ride to Richmond—a stronghold of Ku Klux Klan activity—for their disc debut. Their reactions to the hostile atmosphere went unrecorded.

But it was an auspicious day: the earliest indelible sounds of Armstrong, playing second cornet to his mentor, "King" Oliver. Cut that day, "Chimes Blues" includes Armstrong's first preserved solo, catching him on the verge of eminence as the first stellar soloist in jazz. The following day, Oliver waxed his most celebrated solo: On "Dippermouth Blues," his "wah-wah" effects with plunger mute became so famous that generations of musicians reproduced them note for note. In one of the most memorable spoken moments in jazz, the banjoist calls out, "Oh, play that thing!"

As Armstrong's music-making became more confident and impressive, his reputation grew in Chicago. Gennett made his evanescent style permanent, portable and repeatable, and word spread widely among musicians and fans. Armstrong would go on to become arguably the most influential musician in American history, especially for raising up the instrumentalist in popular music and showing how to take existing songs and dramatically personalize them.

In July 1923, Gennett captured another New Orleans native, the peripatetic pianist Jelly Roll Morton, making his disc debut as a soloist. His "The Pearls," "Wolverine Blues" and "King Porter Stomp," recorded for Gennett, became milestones of the jazz tradition. His virtuosic piano style ingeniously transferred New Orleans band textures to the keyboard. He would set a new standard as ensemble leader, arranger and composer.

While in Richmond, Morton, a light-skinned Creole, broke through the color line by cutting five tunes with a white group, the New Orleans Rhythm Kings. This was more than a decade before clarinetist-bandleader Benny Goodman was credited with establishing an interracial quartet.

Within two years, Gennett's Richmond studio would preserve the playing of the lyrical, influential cornetist Bix Beiderbecke and of composer and pianist Hoagy Carmichael, whose "Star Dust" was first immortalized there. The company recorded other music, but it was jazz that cemented Gennett's name in history. After the stock market crash of 1929, the company nosedived and devolved into issuing sound effects. The studio and label are long gone, their century-old pressings now rare, eagerly pursued collectors' items.

Gennett, the spunky, little-known label, helped set the course of jazz. The music recorded in that rackety shack echoes down through the decades.

Mr. Hasse is curator emeritus of American music at the Smithsonian's National Museum of American History. His books include "Beyond Category: The Life and Genius of Duke Ellington" (Da Capo) and "Discover Jazz" (Pearson).

GILLES PETARD/REDFERNS/GETTY IMAGES

Joe 'King' Oliver and His Creole Jazz Band in Chicago, 1923

SPORTS

LSU Wins NCAA Women's Title

The Tigers outshoot Iowa to claim the school's first national championship in women's basketball

By Rachel Bachman

KIRBY LEE/USA TODAY SPORTS

LSU beat Iowa, 102-85, to win the NCAA women's basketball title. Jasmine Carson led the Tigers with 22 points.

Dallas

The electricity surrounding the Women's Final Four this weekend centered almost entirely on Iowa's superstar sharpshooter Caitlin Clark. But one important group of dissenters wasn't having any of it: the Louisiana State Tigers.

LSU drove its parade float through the Hawkeyes' party on Sunday, outshooting Clark and the Hawkeyes to win its first-ever NCAA women's basketball title, 102-85.

Clark got her points—30, which led all scorers—but LSU got the victory. Jasmine Carson came off the bench to propel the Tigers with a powerful performance of her own, finishing with 22 points as she pushed LSU to a scorching 65% shooting from 3-point range. Alexis Morris added 21.

The Tigers got here with a team transformed in two years by coach Kim Mulkey, who LSU hired away from Baylor, where she won three titles. Mulkey quickly transformed a sagging program into a powerhouse with new recruits and transfers.

In Dallas on Sunday, LSU took a 59-42 halftime lead on a reversal of storylines: It was the Tigers, not Iowa, who made spectacular outside shots.

Clark came out firing, making four of five 3-pointers to start the game and scoring 16 first-half points. But she picked up her second foul with 3:26 to go in the second quarter.

Meanwhile LSU—one of the weaker 3-point-shooting teams in the nation this year—was on fire. The Tigers made 9 of 12 of its 3-pointers in the first half and Carson—a graduate transfer from West Virginia—had 21 points on 7-for-7 shooting from the field, including 5-for-5 from 3-point range. While most of the attention was on Clark coming into the game, it was Carson, coming off the bench, who outscored her in the first half.

"Jasmine may be the second-best pure shooter that I've ever had," Mulkey said.

Iowa cut LSU's lead, which reached as much as 21 points, to seven with just under 3 minutes left in the third quarter, as Clark made three 3-pointers and Monika Czinano pitched in an additional five points.

But soon after, Czinano was called for her fourth foul and went to the bench. Shortly after that, Clark received a technical foul for failing to immediately pass the ball to the nearest official after the whistle was blown.

LSU's Morris made both shots to put the Tigers ahead 75-64 going into the fourth quarter. The Tigers led by double-digits the rest of the way.

"I probably could have attacked the rim a little more than I did tonight," Clark said. "I thought they played really good defense."

The win completes a two-year turnaround by a decorated coach who overhauled the team and injected it with a saucy revelry.

In 2021, LSU hired Mulkey away from Baylor, returning her to the state where she had played point guard for the Louisiana Tech team that won the inaugural NCAA women's basketball title in 1982.

Mulkey is now 4-0 in national championship games.

Propelled by more liberal NCAA transfer rules, Mulkey this year brought in nine new players to a program that had won just nine games the year before she arrived. The squad she built dominated opponents in offensive rebounding and inside scoring.

Angel Reese, a 6-foot-3 sophomore transfer from Maryland, averaged a double-double. Morris, the lone holdover from last season who had been a significant scorer, arrived at LSU in 2021 after stints at Baylor, Rutgers and Texas A&M. Carson, a 5-foot-10 guard, played at Georgia Tech and West Virginia before transferring to LSU.

There is some consolation for Iowa fans in the fact that Clark, the 2023 national player of the year, will be back next year. She has at least one year before she's eligible for the WNBA Draft, and she could stay one more after that, because of an NCAA exception granting an additional year to those in school during the height of the Covid-19 pandemic.

Clark's performance in this tournament won't be forgotten. Her 41-point triple-double against Louisville set an Elite Eight record with 2.5 million viewers, and her 41-point game against powerhouse South Carolina in the semifinal drew a record 5.5 million, according to early ratings figures.

The tournament set an all-time attendance record with 357,542 fans, up from the previous high in 2003 of 334,587.

Aztecs, Huskies Advance To Final

By Laine Higgins

Houston

San Diego State was almost out of time. With the clock ticking down from nine seconds and Florida Atlantic's defenders charging down the court, junior Lamont Butler ran to the corner, dribbled inside the arc and launched a shot. The lights on the backboard turned red as the buzzer sounded, then his shot fell.

The Aztecs were going to the NCAA title game thanks to a classic buzzer beater. Their opponent in Monday night's title game will be Connecticut, which has been deep into celebration mode by the time the final buzzer sounded in each of their five tournament games so far.

The Huskies have steamrolled every opponent in their path in the way to the title game, bludgeoning Miami 72-59 late Saturday in their semifinal. While San Diego State needed comebacks to win their last two games, Connecticut has won comfortably.

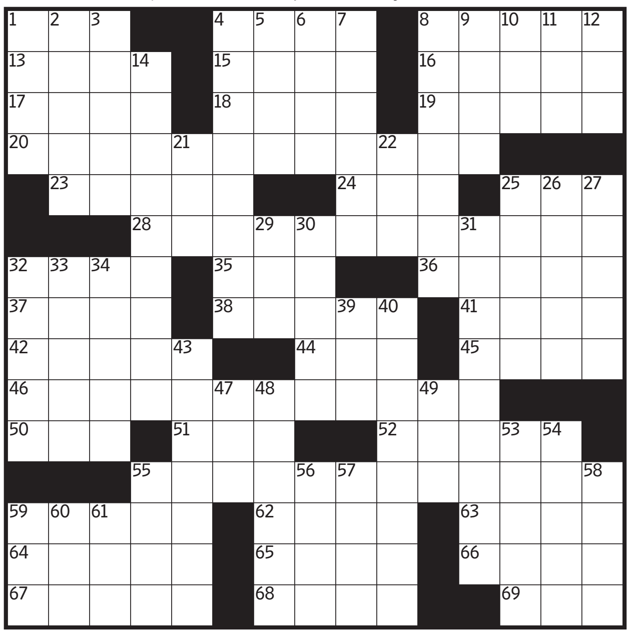
The Huskies bring electric offense, mighty bigs and hard-to-stop 3-point shooting; the Aztecs have a frustratingly consistent defense and players that look like they'd fit in on the gridiron. UConn will be chasing its fifth title in the last 25 years; San Diego State is looking for its first ever.

The path to San Diego State's national final debut literally came down to the final second.

"The plan was just to get downhill….I looked up, it was two seconds left, so I got to a shot that I'm comfortable with, and I hit it," Butler said after the game. "I'm glad the shot went in."

San Diego State, a five-seed, used its tireless defense to overcome a 14-point second-half deficit to defeat NCAA tournament darling No. 9 Florida Atlantic 72-71.

The WSJ Daily Crossword | Edited by Mike Shenk



WHO'S IN CHARGE? | By Scott Hall & Jeff Chen

Across

1 Breakfast beverages, informally
4 Subject with many pluses and minuses
8 O'Neal of "Paper Moon"
13 Dad
15 "Hmm, interesting…"
16 Site for a rock concert
17 Malevolent
18 Onetime Iranian leader
19 Dense noble gas
20 Lead, like the commissioner of the NBA?
23 Hurricane or blizzard
24 Lilly in the drug business
25 Plopped down
28 Lead, like the CEO of Levi Strauss?
32 Qatar's capital
35 Bering, Baltic or Beaufort
36 "Bark if you want a treat!"
37 "Once ___ a time…"
38 Invitation to a hitchhiker
41 Tortoise's fable opponent
42 Dangerous-sounding shoes
44 Pitching stat
45 "Just joshin'!"
46 Lead, like the head of Churchill Downs?
50 Bashful
51 Overly permissive
52 "___ luck!"
55 Lead, like Colonel Sanders?
59 Bare-bones
62 Crucifix
63 Leaf gatherer
64 Suspect's story
65 "The Bluest Eye" author Morrison
66 "Jean de Florette" star Montand
67 Brainy organization
68 Editor's override of a proofreader
69 Summer hrs. in Maryland

Down

1 Well-financed grp.?
2 Breakfast beverages, informally
3 Like milk in a "what's done is done" saying
4 A little of this, a little of that
5 Tennis great Arthur
6 Breakfast beverages, for some
7 Villainous chuckle
8 Suggestions from an accountant
9 Greek war god
10 Card above a king, in pinochle
11 Number before due
12 "Holy cow!"
14 Reward for chores, maybe
21 Number after due
22 Bullfight cry
25 Move furtively
26 Game maker that first let players add their initials to a top scores table
27 Clucked one's tongue
29 Early automaker
30 Get narrower toward one end
31 Challenging course for seniors wanting to revisit the past?
32 Tear channels
33 Media luminary Winfrey
34 What truants play
39 Fury
40 Self-congratulation after a good audition
43 Caribbean island nation south of Martinique
47 "2001" computer
48 Brings to bear
49 Postal creed conjunction
53 White wine from Italy
54 Inquired
55 Barbecue joint fare
56 Horn sound
57 Sharpen
58 Grade determiner, often
59 Sound of a collision
60 Brewery product
61 Gluttony or greed, for example

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

Previous Puzzle's Solution

D	R	E	W	■	A	G	I	L	E	■	L	A	P	D
W	A	N	E	■	R	U	N	O	N	■	A	S	I	A
A	D	D	S	■	K	I	D	L	E	A	T	H	E	R
R	I	O	■	S	I	D	E	A	■	S	H	I	R	T
F	O	R	T	K	N	O	X	■	F	L	E	E	C	E
E	S	S	A	Y	■	■	■	D	O	E	■	R	E	D
D	E	E	P	■	S	A	T	I	R	E	■	■	■	■
■	T	E	S	S	A	T	H	O	M	P	S	O	N	■
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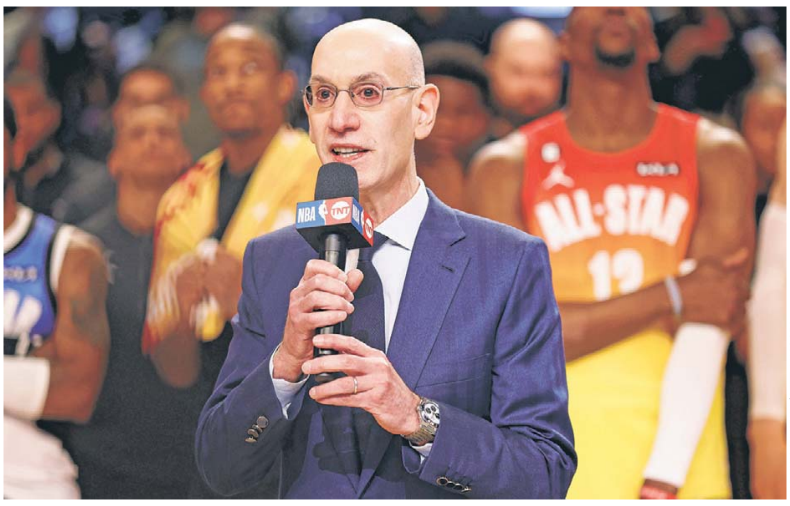
B	A	H	■	R	N	S	■	■	■	M	O	N	T	E
A	R	A	B	I	A	■	F	L	A	T	T	I	R	E
R	O	M	A	N	■	S	L	O	B	S	■	V	A	T
Q	U	I	C	K	S	T	U	D	Y	■	B	O	T	H
U	N	T	O	■	O	A	T	E	S	■	F	R	E	E
E	D	E	N	■	P	R	E	S	S	■	F	E	S	S

The contest answer is **AD LIB**. The first word of each of the five longest Across answers can become the name of a car make if you change one letter (KID/KI**A**, FORT/FOR**D**, TESSA/TES**L**A, FLAT/F**I**AT, QUICK/**B**UICK). The post-change letters, in order, spell the contest answer.



TIM NWACHUKWU/GETTY IMAGES

NBA commissioner Adam Silver can now turn to an upcoming round of media-rights negotiations.

NBA, Union Agree to Contract

By Robert O'Connell

The NBA and the National Basketball Players Association agreed in principle early Saturday to a new collective bargaining agreement, the parties said, giving the league a long period of assured labor stability as it heads into a new round of media rights deals on the horizon.

The seven-year agreement—which still needs to be ratified by players and team governors—will go into effect at the start of the 2023-24 season, according to people familiar with the negotiations. It includes a mutual opt-out after its sixth year and includes language to try to both curb the trend of top players missing games and limit the spending of the NBA's richest teams.

Although there had been speculation that the new CBA would roll back the NBA's age limit for draft prospects, ending the "one-and-done" era of college basketball, it includes no such changes.

The current agreement is slated to expire following next season, but midnight Friday marked an opt-out by which either side could choose to trim off the last year and let the CBA expire in June of 2023. In a news conference this week, Silver characterized the option as a way of creating pressure to negotiate without going "right up to the line." The parties agreed to extend the opt-out deadline past midnight to complete the new agreement.

The agreement arrives during a period of flux for both basketball and the means by which the NBA sells itself to the public. One upshot of the emphasis on analytics that now permeates professional sports is that NBA teams rest their star players more than ever, valuing the long-term benefits of injury-risk mitigation over the boosted odds of winning a single game. "The mind-set of our teams and players these days…is that they should be optimizing performance for the playoffs," Silver said at a news conference in February.

Perhaps the most noteworthy element of the new deal, for fans frustrated by the trend, is language that requires players to appear in at least 65 games to be eligible for awards such as All-NBA teams and Most Valuable Player. It remains to be seen what effect the stipulations will have, as voters for the awards could already factor games missed into their decisions.

A long-rumored in-season tournament could arrive as soon as 2023-24 as well, further boosting the stakes of the season's dog days. The tournament will come with a monetary prize for players on the winning team.

The deal will introduce a limit to roster moves by the highest-paying teams. If a team spends $17.5 million above the league's tax line, it will have the taxpayer midlevel exception—a tool that contenders can use to sign complementary free agents without triggering the hard salary cap—made unavailable to them, according to sources familiar with the rule.

Warriors forward Draymond Green expressed displeasure on Twitter about the rule, and argued that a reported parallel measure that would increase other teams' spending capabilities wouldn't be enough to offset players' losses. "Middle and Lower spectrum teams don't spend because they don't want to," Green wrote. "They want to lose. So increase their spending capabilities, just to increase them."

The last NBA work stoppage came in 2011. It will be another half-decade before the possibility of one rises again.

OPINION

Sweet Dreams, ChatGPT

INSIDE VIEW
By Andy Kessler

I had a weird dream last night. I'm sure you've said that many times. But why? From Sigmund Freud to Carl Jung to Calvin Hall, dreams have been researched ad nauseam and there's still no good answer to what shapes them. Unconscious desires? Keeping neurons active? Memory consolidation? Psychosexual wish fulfillment? No one knows. Even Freud supposedly noted, "Sometimes a cigar is just a cigar."

But clues are starting to emerge from artificial intelligence and its use of brain-mimicking neural networks. In 1968, Philip K. Dick published the novel "Do Androids Dream of Electric Sheep?"—on which the 1982 movie "Blade Runner" was based. Turns out the answer is yes.

First, a quick and oversimplified primer on neural networks. They contain digital layers of interconnected nodes, modeled on the human brain's neurons and synapse connections, which are great at finding patterns. Based on numerical weightings in each node after scanning millions of photos, a layer might conclude that a roundish object with eyes, nose and mouth is a face. Then that data moves onto the next layer, which looks for patterns in those patterns. Perhaps it determines whether it's a cat's or dog's face. Then another layer finds patterns of patterns of patterns until, for example, it can identify the dog's breed as a Siberian Husky. And so on.

Theorized in 1943, trainable neural networks have been around since 1958, when psychologist Frank Rosenblatt demonstrated the Perceptron machine at the Cornell Aeronautical Laboratory. But only in the past decade has AI scaled to the masses and gained the ability to understand your voice or recognize faces in photos.

Artificial intelligence may offer clues about what our own brains do when we sleep.

What changed? Faster processors and cheaper memory certainly helped, but neural networks in the past often got stuck by "overfitting" data to a conclusion, such as determining that everything with feline-shaped eyes is a cat. Or concluding that dinosaurs built Stonehenge. We do that too when we knock on wood or wear our lucky socks because our team won last time we did. Computers can be superstitious like us.

In 1970 Finnish student Seppo Linnainmaa proposed "back-propagation"—again oversimplifying here—sending errors backward through neural-network layers to generalize the weightings and better find patterns. It wasn't until a 1986 paper "Learning representations by back-propagating errors"—whose coauthors included Geoffrey Hinton, a patriarch of neural-network research—that back-propagation research took off. It took another 20 years for the method to scale, which is why voice and facial-recognition AI work well today.

Now the current theories: In 2020 neuroscientist Erik Hoel, then a professor at Tufts University, postulated that human brains get stuck overfitting in the same way and need to generalize to overcome the problem. Mr. Hoel suggests the brain "does that by having wild, crazy experiences every night." He hypothesized that "dreams as a form of purposefully corrupted input likely derived from noise injected into the hierarchical structure of the brain." Sound familiar? Yes, maybe dreams are back-propagation that inject noise and errors to unfit or generalize our own pattern recognition. That would explain why our dreams are so weird.

Mr. Hoel even writes that maybe "fictions, like novels or films, act as artificial dreams, accomplishing at least some of the same function" of injecting noise and errors. Not a bad reason to watch all 31 films (and counting) in the Marvel Cinematic Universe. Maybe someday virtual reality will partially replace weird dreams and cure sleep deprivation.

Another problem for neural networks is "catastrophic forgetting" as new data overwrite old information. A recent paper by Maxim Bazhenov, a sleep researcher at the University of California, San Diego medical school, notes "the human brain learns continuously and incorporates new data into existing knowledge" which is "best when new training is interleaved with periods of sleep for memory consolidation." He posits that the same is true for AI neural networks—they learn better when they get some sleep. Perhaps this is why Microsoft limits its Bing chatbot to 20 replies. The early word on ChatGPT 4, the latest iteration, is that it's more accurate but not very creative. Maybe it needs a good night's sleep.

Between overfitting and catastrophic forgetting, our brains need to incorporate new experiences with old memories without forgetting the past. I once heard chess champion Magnus Carlson tell the story of playing against his younger self in an old chess app he released years ago. He said it was a bit surreal but fascinating to see how far he has come. And maybe that's why we dream, not to erase old memories, but to de-emphasize and fine-tune them so we can mature and progress. With ChatGPT and AI research, we're going to learn a lot more about ourselves. Sweet dreams.

Write to kessler@wsj.com.

Monetary Mischief Here and Abroad

AMERICAS
By Mary Anastasia O'Grady

In these days of rapid change, it's nice to know that some things stay the same. At the top of the list of old reliables is Argentine hyperinflation, which is again above an annualized 100%. Close behind in predictability is Brazil, which has brought annual inflation to below 6%, but only by holding the central bank overnight interest rate at 13.75%. Bolivia would probably be flirting again with sky-high inflation were it not for an unsustainable fixed exchange rate. It's near another economic implosion.

Three central banks facing one common problem: lax fiscal policy undermining price stability, investment and growth. Argentina's monetary authorities are printing pesos to pay the state's bills. Socialist Bolivia is running out of international reserves to defend its pegged exchange rate. Brazil's central bank is signaling that it won't accommodate a profligate executive with easy money, but high borrowing rates tilt resources away from economic endeavors that create wealth.

The world's reserve currency—the U.S. dollar—may seem light years away from the problems facing emerging-market money. But reckless government spending is also forcing the Federal Reserve to do things that damage productivity.

When public spending wags the monetary dog, economists call it "fiscal dominance." It's what happens when a central bank is forced to shape policy in response to excessive government largess rather than in defense of sound money and growth. Even a central bank that commits to fighting inflation, and does so by raising interest rates, shifts capital toward government and undermines productive enterprise.

U.S. markets in this moment are focused on whether the bank failures of the past few weeks have been contained. The Treasury appears to have dealt with the solvency-turned-liquidity problem caused by maturity mismatches in U.S. banks by agreeing to lend against long-term government debt. But the strain on the financial system caused by tighter U.S. monetary policy, after a long period of easy money, remains. Many analysts are concerned about looming credit risks, particularly in commercial real estate, which are likely to worsen if there is a recession.

Yet in a world of rising fiscal dominance and antipathy toward business in rich and poor countries, the supervisory failure of the Fed's Board of Governors last month may turn out to be noise.

Countries that are hostile to private capital and the rule of law won't do well in the new normal of tighter credit. Bolivia is Exhibit A. It's home to large mineral deposits and ought to be a hot market for investors. But political and judicial uncertainty chases away risk-takers. The central bank is financing a large fiscal deficit with a dwindling availability of hard currency. Bolivia has converted more than $500 million in "special drawing rights" at the International Monetary Fund. But credit downgrades and widening spreads on its sovereign debt signal a looming crisis. In the absence of reform to attract investment, the IMF's funny money is a blank check for the politicians to continue doing business as usual and delay the inevitable collapse of the economy.

Argentina is the poster child of fiscal dominance. It has struggled for decades with inflation caused by out-of-control government spending. Its "convertibility law," enacted in the 1990s, was an attempt to remove monetary discretion from Argentine authorities. It failed because the political class had zero interest in fiscal discipline or in creating a welcoming environment for investors.

When public spending feeds inflation, high interest rates starve business of capital.

Brazil's President Luiz Inácio "Lula" da Silva is a big spender whose rhetoric has been raising inflationary expectations. The headline for his latest fiscal plan, announced last week, is aimed at convincing markets of a new-found moderation. But the proposal, short on detail, may result in an expansion of federal government outlays unless explicit cuts within a spending cap are forthcoming. To the extent the plan promises a primary surplus down the road, it implies tax increases. Bond traders may like it because it makes sovereign debt king—at least for now. But businesses will be starved for capital as resources flow to government borrowing and away from productive investment.

The U.S. isn't immune from the laws of economics. Its debt is spiraling because politicians won't stop spending and new borrowing is necessary to meet payments on existing loans.

According to the Cato Institute's Chris Edwards, "federal debt tripled as a share of GDP from 32 percent in 2001 to 98 percent by 2023." Payments on federal debt "have doubled from 1.2 percent of GDP in 2015 to 2.4 percent in 2023. The government will pay $640 billion in net interest this year."

A working paper by Columbia Business School professor Charles Calomiris describes the danger: "Even if interest rates remain substantially below their historic average, if projected deficits occur as predicted, there is a significant possibility of a fiscal dominance problem within the next decade." With the Fed tightening and deposits flying from banks to money-market funds holding government debt, some might argue it will come much sooner.

Write to O'Grady@wsj.com.

The Pentagon Shouldn't Wage Culture War

By Tommy Tuberville

The Biden administration has spent the past two years trying to inject politics into the military. In February this effort reached a new low as the administration put the taxpayer on the hook for travel and paid time off for service members, wives and other dependents to get elective abortions.

For 40 years, there has been a bipartisan consensus that taxpayers shouldn't be forced to pay for abortion except in cases of rape, incest or a threat to the life of the mother. That is the law. The administration flouted it with a memo.

When word of this new policy leaked in December, I warned Pentagon officials that I would block their nominees in the Senate if they went through with it. They did it anyway. I've kept my word and put a hold on their nominees.

Cue the outrage machine in Washington. Last week Chuck Schumer attacked me on the Senate floor by name. I'm new to Capitol Hill and hardly know the guy, but even I know it's not every week that the majority leader goes after a specific senator four days in a row. A chorus of pro-abortion Democrats joined him in attacking me for following through on what I said I would do.

The outrage is highly selective. Senate Democrats recently threatened holds on military nominations to stop the military's Space Command from moving from Colorado to Huntsville, Ala., the location the Air Force determined would be best. In 2020, Sen. Tammy Duckworth of Illinois threatened to block more than 1,000 military nominees unless Lt. Col. Alexander Vindman, an accuser of Donald Trump, was promoted to full colonel.

My hold so far has affected 187 nominations. Democrats can spare me their lectures, particularly as they ignore the military's real crisis: recruitment. Thanks to the Biden administration's woke appointees, we've seen the worst drop in recruitment in 50 years. We're down more than 15,000 Army recruits from last year alone; that doesn't count the more than 8,000 service members discharged because of the Biden vaccine mandate.

Why I'm holding up the president's nominees for Defense.

Democrats haven't explained how abortion makes our military stronger or safer. The only war they are focused on winning is the culture war.

Despite what Democrats say, my hold doesn't stop anybody from getting confirmed. Senators could get around my hold with a simple confirmation vote on a particular nominee. It simply prevents nominees being confirmed in large groups through a procedure called unanimous consent. The Senate has had 24 days off this year—not counting the two-week recess in January and the current two-week recess. Voting is the Senate's job, but sometimes we don't even take our first vote of the week until Tuesday evening.

I will maintain my hold on nominations until the Defense Department changes its policy and follows the Constitution. An unprecedented change to the military's abortion policy ought to go before the people's elected representatives in Congress. No matter what Mr. Schumer says, I'm going to keep my word.

Mr. Tuberville, a Republican, is a U.S. senator from Alabama.

BOOKSHELF | By Bill Heavey

Putting On Appearances

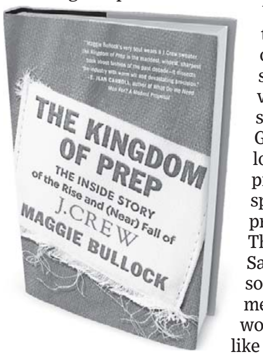
The Kingdom of Prep

By Maggie Bullock
(Dey St., 356 pages, $29.99)

Preppy style is declared dead every 10 years or so, whereupon it dusts itself off, adjusts its rep tie and rises again. As the fashion journalist Maggie Bullock explains in "The Kingdom of Prep: The Inside Story of the Rise and (Near) Fall of J. Crew," prep's immortality stems from two things: It is "elusive," and it has been "baked into American culture for generations."

From the late 1980s through the aughts, no company defined prep or inspired the kind of customer loyalty that J. Crew did. For years the company seemed to know exactly who we were. More important, it knew who we wanted to become.

Everything you know about prep is true—and false. Donning the protective armor of a pale-pink oxford-cloth button-down shirt and a tweed jacket signals—quietly, of course, because prep never shouts—that you've been invited to the party. Characters seeking our approval, from Jay Gatsby to George Santos, have long wrapped themselves in prep to convey upper-class respectability. Yet the roots of prep are rebelliously egalitarian. They date to 1818, when Henry Sands Brooks started selling something new: ready-to-wear menswear. Suddenly, factory workers could afford to dress like gentlemen. By the 1920s, college students had adopted their own version of the look as a way of sticking it to their elders. Want another contradiction? As the Village Voice once wrote, prep "oozes Anglo out of every 100 percent cotton pore." Yet Miles Davis wore khakis. Recently, Harper's Bazaar published an essay titled "Today's Prep Style Wouldn't Exist Without Black Culture." In other words, prep—trend-free, timeless and as white as puppy yoga—endlessly adapts to the moment.



In the early 1980s, Arthur Cinader, an ambitious Jewish kid from the Bronx, N.Y., was running a midtier catalog business selling homegoods out of Passaic, N.J. A catalog man to his bones, Cinader, who died in 2017 at the age of 90, saw two options for expansion. One was computer gear. The other was prep. Ralph Lifshitz, another ambitious, Bronx-born Jewish kid, was killing it hawking pricey aspirational prep duds with little polo-pony logos. Meanwhile, Lands' End was also making a mint selling a prep aesthetic, however devoid of cachet. Cinader aimed at the sweet spot—Ralph Lauren style at Lands' End prices. And so, in 1983, J. Crew was born. But Cinader needed a back story, so he wrote one for the first catalog: "The heritage of J. Crew weekend clothes is 100 years of outfitting rugby, lacrosse, and crew." It was a complete fiction. But it tapped into something in the American psyche. And it sold like crazy.

How hot was J. Crew? Hot enough that David Letterman referred to it in a Top Ten list. Hot enough that the New Yorker's Roz Chast penned a satirical cartoon, "The Love Song of J. Alfred Crew," in which a middle-age schlub proclaims, "I shall wear the bottoms of my relaxed-fit, button-fly, size-38, in Wheat, trousers rolled." Hot enough to give birth to a "J. Crew Aficionada" blog.

J. Crew's first catalog described the clothier's heritage as '100 years of outfitting rugby, lacrosse, and crew.' It was a complete fiction.

Ms. Bullock is a crackerjack writer who can keep a narrative moving. On the other hand, "The Kingdom of Prep" has more detail about the company's financial ups and downs than anyone but an industry insider would want. I was far more interested in the story of J. Crew's rise and the semiotics of prep. There was Michelle Obama on "The Tonight Show" the month before the 2008 election, radiating relatability. When Jay Leno nodded at her clothes and said, "I'm guessing about sixty grand? Sixty, seventy thousand for that outfit?" The future first lady smiled and said, "Actually, this is a J. Crew ensemble." The moment became an instant legend in the fashion industry.

But it was Cinader's daughter, Emily, we are told, who gave the brand its aura of authenticity. To everyone else at the young company, "the J. Crew customer was a demo, a promising target market," Ms. Bullock writes. "To Emily, this wasn't a focus-grouped lifestyle, but her own generation. To a degree, her world." Since graduating from college, she had been groomed by her father to take over the company. Ms. Cinader "would slowly but inexorably remake J. Crew in her own image." She came up with the company's most iconic item, the rollneck sweater, made without the ribbed rim that usually finishes the neck. That not-quite-finished look was prep's version of *wabi sabi*—a Japanese word that expresses the beauty of imperfection. And it was Ms. Cinader who banished logos. Let Ralph put his pony on everything. All it proved was that he didn't get it. True prep never advertises itself.

It was also Ms. Cinader who obsessed over J. Crew's famous catalogs. They were free, came out 14 times a year and became such a part of the culture that college girls threw impromptu parties to pore over them "like a bodice ripper from the supermarket checkout." To produce a catalog that captured the wabi sabi of prep was painstaking work. Ms. Cinader was pioneering a new kind of book, one that sold clothes promising a different lifestyle. No detail could be left to chance. She demanded mud on the models' boots, and tumble-drying clothes to the requisite level of comfort and wear. The good-looking people laughed, sometimes with their mouths full, as they shared a joke around a fire on the beach or draped across a sailboat. Every catalog consumed some 8,000 rolls of film. Back in the office, the entire staff edited the pictures, nixing any shot that looked posed or "too model-y." The holy grail was an image that could "pass for a snapshot."

By 1989 the upstart had become a player, growing to a reported $160 million a year in sales from $3 million. In a shot across the fashion industry's bow, the company put the supermodel Linda Evangelista on the catalog cover wearing her cheekbones, that million-dollar smile and a blue chambray shirt. It's the image J. Crew had been looking for. "What did she request at the end of her shoot?" writes Ms. Bullock. "The clothes. She kept them all."

In 2020 J. Crew filed for a bankruptcy that had been a long time coming. Its death was attributed to the usual suspects—changing trends, quality-control issues, leveraged buyouts. The company was revived and still runs, although few believe it will ever recapture its past glory. As for prep, the ultimate survivor? As always, it's doing fine, thanks.

Mr. Heavey is a writer in Bethesda, Md.

REVIEW & OUTLOOK

Yellen Blames Everybody Else

Janet Yellen has been a disappointment as Treasury secretary, and she would have done less harm to her reputation had she left after the midterm election. Her speech last Thursday trying to explain the latest financial panic is a remarkable exercise in blaming everyone other than the real culprits.

Regulation failed, but the secretary wants more regulation.

Ms. Yellen has an admittedly heavy explanatory lift because this financial trouble wasn't supposed to happen. The economy was in great shape, she and President Biden kept telling us. Inflation was transitory, and when she suddenly had to admit it wasn't, she said it would fall soon enough.

The banking system was also supposedly strong thanks to the Dodd-Frank Act regulations that she and the others now in power had written. Yet here we are with major banks failing, and the government having to bail out uninsured depositors and offer lifelines to protect bank assets that are underwater.

What went wrong? In Ms. Yellen's telling, the failures of Silicon Valley and Signature banks are really signs of strength. "It is notable that neither of these events triggered the worst-case scenario—a financial meltdown like we saw in 2007 and 2008," she told the National Association for Business Economics. "In large part, this was due to the post-crisis reforms we put in place."

Are we now measuring regulatory success by anything that doesn't become a once-a-century meltdown? Apparently she is. But even the Treasury secretary has to concede that responding to the bank failures required "substantial interventions" to prevent a larger panic. And, wait for it, "this means that more work must be done."

By this she doesn't mean introspection about what went wrong with the 2010 reforms. She means giving even more power to regulators to prevent the failures that the vast regulatory power they gained last time didn't prevent this time.

What didn't work this time? Well, she says, "when the President and I took office in January 2021, we inherited a financial stability apparatus at Treasury that had been decimated." Of course: It's Donald Trump's fault. Everything else is his fault, so why not a financial panic that has broken out two years into the Biden Administration? Despite what she suggests were her heroic efforts, Ms. Yellen couldn't rebuild "the analysis team" at the Financial Stability Oversight Council fast enough.

We are supposed to believe that this explains the FSOC's failure in its annual reports in 2021 and 2022 to assess the magnitude of the risk to the banking system from rising interest rates. Here's how the FSOC home page at Treasury's website describes its work in the Biden years:

"In 2021, the Council identified three key priorities related to significant vulnerabilities in the financial system: nonbank financial intermediation, climate-related financial risk, and Treasury market resilience. In 2022, the Council identified a fourth key priority: risks related to digital assets."

None of these caused the failure at Silicon Valley Bank or the deposit run at midsize banks. The main culprit was duration risk from the failure to properly hedge against rising interest rates. The 117-page October 2022 report devotes as much space to climate risk as it does to duration risk. But at least the FSOC mentioned duration risk. There's no excuse for the examiners at the San Francisco Federal Reserve not to have acted on the problem as the West coast bank regulator.

Ms. Yellen goes on to list a long series of what she calls "unfinished business"—or all the parts of the financial system that still pose risks but that she says the feds need more power to regulate. Money-market funds, open-end funds, hedge funds, nonbanks, digital assets and more. As always with Washington regulators, failure is an excuse to give them even more power.

The systemic risk she fails to mention is what caused the rapid rise in interest rates that has imperiled the financial system: the fiscal and monetary excesses that produced inflation. Apparently, in Ms. Yellen's world, the 12 years of near-zero interest rates had nothing to do with banks and other institutions deciding to take financial risks that look very different at a fed-funds rate of 5% than at 0.25%.

Ms. Yellen has presided over this era at the Federal Reserve and now at Treasury. If she told the truth, she'd have to indict her own policies.

Chicago Teachers Fight a Union Ploy

The Chicago Teachers Union (CTU) is all-in for mayoral candidate Brandon Johnson, and it wants every member to finance the bet. Yet plenty of teachers didn't sign up for this cause, and they're fighting union leaders for their right to stay out of it.

Several CTU members filed a complaint Thursday with the Illinois Educational Labor Relations Board, accusing their bosses of spending dues money on political campaigns. CTU's bylaws forbid mixing dues and political money, and new members can opt into a separate payment if they want to contribute to the political fund.

The complaint is led by Froy Jimenez, a high-school civics teacher who says electoral politics distracts from CTU's core mission. "We became public school educators to do one thing," he says: "improve the lives of Chicago's students." Mr. Jimenez and other teachers behind the complaint belong to Members First, a caucus within CTU that opposes political activity.

But the mission of CTU's leaders is to elect politicians they can control, and they don't bother to cover their tracks when they use members' dues to do it. They voted in February to divert up to $2 million of dues to their political fund, according to a Chicago news station. The union's March 10 filing shows a $1.5 million campaign donation simply labeled "dues."

The union's favored candidate, Mr. Johnson, was a political director in the union before he became a Cook County commissioner in 2018, and he helped lead a citywide teachers strike in 2012. CTU's labor agreement expires next year, and Mr. Johnson says he'll seek $800 million in new taxes to finance more spending.

He also opposes school choice. In a debate last month he dismissed charter schools and publicly funded scholarships as "experimentation on black and brown and poor children." Teachers unions have supplied 62% of Mr. Johnson's campaign funds, and they want to squash alternatives that threaten their grip on school governance.

Paul Vallas, Mr. Johnson's opponent in Tuesday's runoff, opened Chicago's first charter schools as public-schools chief from 1995 to 2001. He says he'd let charters expand.

Polls show a dead heat in the runoff, and a decision on CTU's use of member dues will come too late to affect the race. Yet the ruling and the election will determine whether the union retains an effective veto over school reform. As the Supreme Court has ruled, union members have a constitutional right not to fund political speech or causes they oppose.

California Adds Fuel to a Refiners' Fire

A majority of Californians tell pollsters they don't want Gov. Gavin Newsom to run for President. Maybe they think he's pushing destructive progressive policies to promote his national ambitions, such as the law he signed last week to punish oil refiners.

A new bureaucracy can cap profits, which will end up raising prices.

The law establishes a new state bureaucracy empowered to cap gasoline refining profits. If refiners' profits exceed the cap, they will pay a penalty, which will go into a special fund that legislators could use to "address any consequences of price gouging on Californians." This is a fund for Democrats to buy votes.

Refiners will be required each day to turn over proprietary data so the state can investigate alleged fuel-market gaming. Irony alert: A leak of this confidential information would enable market gaming. The purpose of the law seems to be to deflect political responsibility for the state's high gasoline prices, which are caused by climate rules and taxes.

Gas prices in California average $4.83 a gallon, which is $1.34 more than nationwide. When prices in the state surged above $6 last autumn, the difference was $2.50. Democrats in Sacramento order an investigation into "price-gouging" whenever gas prices soar above their usual inflated levels. But the investigations never turn up nefarious conduct.

That's because high gas prices are caused by state policies. Taxes add about 66 cents to the price of a gallon in California, about twice as much as in other states on average. California's cap-and-trade program and low-carbon fuel standard add another 46 cents a gallon. These regulatory costs are growing as the state tightens its CO2 emissions standards.

California also requires a special "clean" fuel blend that adds another 10 to 15 cents a gallon. Few refiners outside of California produce this unique blend. Many older refiners in the state are shutting down because of the high cost of regulation. Some are converting to producing biofuels, which are more profitable owing to federal and state subsidies.

The state lost 12% of refining capacity between 2017 and 2021 and is set to lose another 8% by the end of this year. This means California has a very tight fuel supply. Whenever one or more refineries have problems or undergo maintenance, prices spike. That's what happened last autumn.

Yet Democrats accuse refiners of colluding to squeeze supply and inflate profits. There is no evidence of this, but Democrats insist they could prove misconduct with more data. Their new reporting regime and penalties will increase refiner costs, which will invariably be passed onto consumers. A profit cap will also discourage refinery investment and could cause more to shut down. Democrats know higher prices will be the result of their new law, which is why they are punting implementation to a new bureaucracy.

True to form, Mr. Newsom is touting the law as a national prototype. "I hope this is a signal to other states and leaders across this country and around the globe that we can see the future," he said. Which is why so many Californians are seeing their future elsewhere.

LETTERS TO THE EDITOR

The Politics of Indicting a Former President

Alvin Bragg may have put Donald Trump back in the White House in 2024 ("Pandora's Trump Prosecution," Review & Outlook, March 31). By handing President Trump another forum in which to grandstand and galvanize his base, Mr. Bragg, the Manhattan district attorney, has done the world no favor. The prosecution will be enormously expensive and Mr. Trump will take delight in pointing out the obvious political motivation for the suit.

To believe that Mr. Bragg initiated this effort due solely to the nature of the alleged years-old crime, and that his legal sensibilities would have been offended by not doing so, is naive. If his purpose is to show the American people that Mr. Trump is a moral bum, they already know that.

The danger is that moderate and unaligned voters will consider the indictment another example of left-wing overreaction and manipulation and throw their votes to Mr. Trump in response. We are in uncharted territory, and if Mr. Bragg believes he knows how this will spin politically, he is as mistaken as he was in pursuing the indictment in the first place.

Michael Hanks
Alexandria, Va.

When you write that former presidents should be prosecuted only for a "serious offense," you sanction a growing rift that is separating America's citizenry from its government. Many of us believe that presidents and other representatives are still ordinary citizens, and when they no longer serve, they become even more ordinary.

If Mr. Trump broke laws—no matter how petty—he must be subject to prosecution and public recriminations for doing so. When he was elected president, no one voted that he should forever escape scrutiny for his indiscretions.

Art Saboski
Prescott Valley, Ariz.

Mr. Trump has been indicted. How does that help me, a middle American? I wish the people in power would focus their energies on that. Maybe prosecute the people who avoid paying taxes or those who ripped off their fellow Americans with fraudulent Covid claims. Or, here's a novel idea, do something about illegal immigration and school violence. Indicting Mr. Trump is the least of this country's problems and smacks of "gotcha" politics.

Lianne Sefcovic
Ann Arbor, Mich.

If Ethan Greenberg and Sam Braverman believe that Mr. Bragg would bring a case that was solely, or even mostly, dependent on the testimony of Michael Cohen and Stormy Daniels ("The Case Against Trump Is Far From Open and Shut," op-ed, March 31), they are likely mistaken. You can bet Mr. Bragg will present plenty of corroborating evidence: documents, texts, emails and live testimony from David Pecker and others. Keep your eye on Allen Weisselberg, the former Trump Organization CFO. If there are new charges heading his way, it's hardly a stretch to think the 75-year-old Mr. Weisselberg could flip on Mr. Trump to avoid more time on Rikers Island.

Dale Butland
Columbus, Ohio

The Future Is Unrealized. Should We Tax It?

In "It's Destructive and Unfair to Tax 'Unrealized Capital Gains'" (op-ed, March 31), Richard McKenzie observes that President Biden and Sen. Bernie Sanders would like "a levy on unrealized capital gains." Their thinking would be OK if the future were known and the reasoning were consistent.

Consistency demands that taxpayers could take deductions for unrealized capital losses as well. Follow the logic further and reach unrealized deductions for future dependents. Pregnant women could even deduct for the life in utero, along with unrealized child-care and educational expenses.

For that matter, if older people are likely to become dependents, a deduction for them could be made by those who anticipate their future dependent status. And why not deduct unrealized but anticipated, i.e., future, costs of doing business? Maybe, on second thought, the unrealized future is better left out of tax policy.

Richard McGowan
Green Bay, Wis.

I agree with most of Mr. McKenzie's positions, with the exception of his last paragraph. He asserts that the tax will neither sound good nor be fair, "especially when some of the lost wealth comes out of the retirement funds of lower- and middle-income Americans." The fairness of this tax shouldn't be subject to a test of whether it comes from wealthy, middle-income or lower-income Americans. Taxing unearned income is manifestly unfair and unwise, even if it comes from our wealthiest citizens.

John Conway
Mendota Heights, Minn.

TikTok Ban Wouldn't Solve the Privacy Issue

The TikTok congressional hearing didn't reach the root of data-privacy concerns: There are no federal U.S. regulations to prevent misuse of user data by any company, domestic or foreign ("After Testimony, Efforts to Rein In TikTok Intensify," U.S. News, March 25). A TikTok ban isn't the solution. It won't protect our data privacy, it won't protect children from the dangers of the internet and it is a blatant violation of First Amendment rights.

David Esguerra
Phoenix

I am greatly concerned by Congress's targeting of TikTok in the name of privacy. Of much greater concern to me is the notion that our government would swiftly eliminate a communication tool that millions of Americans use to share ideas, get involved in politics, learn about different cultures and chat with like-minded individuals across the world.

TikTok can be an effective tool for fighting corruption within the government itself. The congressional hearings revealed how poorly our lawmakers understand technology and how swiftly they will attempt to restrict the sharing of information in the name of "protecting children" (rather than, say, banning assault weapons).

Kimberly Daul
Chicago

End the Fed's Inflation Competition With Biden

Thank you to Judy Shelton for boldly raising the politically incorrect question of why we are paying people not to work ("The Fed's Policies Haunt Financial Markets," op-ed, March 23). Although the labor-participation rate has risen to 62.5% as of February 2023, it still has considerable room to grow and reach 67%, as it was in December 2000. This could help clamp down service-sector wage inflation, which remains stubborn.

The Fed and the Biden administration have been competing with each other in accentuating inflation and generating significant market volatility. A well-tailored fiscal and monetary policy that encourages supply of goods and services will discourage work avoidance, and help some in fighting inflation.

Vembar K. Ranganathan
Walnut Creek, Calif.

Military-Industrial Complex

In "Put America First by Aiding Ukraine" (op-ed, March 30), Karl Rove makes several good points, but writing that "sending military assistance to Ukraine is good for our economy" isn't one of them. Spending on defense is still government spending, whether it is directly for America or for an ally like Ukraine.

Doug Hartlove
Somerville, N.J.

Start the Season With Class

Regarding Mike Kerrigan's op-ed "Hit Your Walk-Up Song Out of the Park" (March 30): Every batter has to be thinking about Duke Ellington's "It Don't Mean a Thing (If It Ain't Got That Swing)."

Art Cassell
Potomac, Md.

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Pepper ... And Salt

THE WALL STREET JOURNAL

"I'm taking the day off from being grateful and am going to get some serious complaining done."

OPINION

Putin's Shakespearean Demons

By Robert D. Kaplan

GAVRIIL GRIGOROV/ZUMA PRESS

Geopolitics will take you only so far in explaining foreign affairs. The more important element is Shakespearean. Ukraine is a perfect example.

Ukraine is engulfed by Russia on the north and east, its history and language entwined with its neighbor's. But the greater part of the story concerns the personality of Vladimir Putin. The geopolitical argument that Mr. Putin invaded Ukraine because the North Atlantic Treaty Organization was expanding completely disregards the Russian leader's Shakespearean demons.

Mr. Putin's decision to invade represented not the collective thinking of the Russian elite but his own thoughts. Many oligarchs and security heavies near him were as surprised by the decision as people in the West. Foreign Minister Sergei Lavrov, pressed by an oligarch to explain how Mr. Putin could have planned such an invasion without his inner circle knowing, reportedly replied: "He has three advisers. Ivan the Terrible. Peter the Great. And Catherine the Great."

Imagine the condition in the heart of Europe today had NATO's boundaries stayed frozen after 1989.

Given Mr. Putin's paranoia, isolation and delusions of grandeur, the question arises: Would Europe today be at peace with Mr. Putin's Russia had NATO not expanded east after the Cold War and had there been a Western guarantee of recognizing Russian interests in Ukraine? Certainly not.

The explanation for this lies in what would have been the internal situations of the states of Central and Eastern Europe—from Estonia south to Bulgaria and including Poland and Romania—had none of them joined NATO or the European Union. Having suffered nearly a half-century of communism, and in many cases having lacked a robust middle class before Nazi and Soviet occupation, those former Soviet bloc countries might have remained basket cases, with poverty-stricken rural areas and nasty, unstable politics in the capital cities. That would have left all or most of them vulnerable to Mr. Putin's mischief.

One of the biggest canards in Washington is that the U.S. would have been better off without NATO enlargement. Take Moldova, a country that is Romanian-speaking and part of historic Greater Romania, yet never admitted to NATO or the EU. Romania has become a strong and stable state for the first time in its modern history, under NATO and EU tutelage and despite the Stalinist ravages of the Ceaușescu decades. But Moldova is weak and tottering—and a likely victim of destabilization by Mr. Putin's Russia. Without NATO and EU expansion eastward over the decades, there might now be a few Moldovas between Germany and Russia.

Success in foreign policy isn't only about the good things that happen but also the bad things that don't happen. What hasn't happened in Europe because of NATO expansion is broad-based instability. Imagine the condition in the heart of Europe today had NATO's boundaries remained frozen after 1989.

NATO and the EU have created many durable bureaucratic states with reliable militaries in Central and Eastern Europe able to do their part to withstand Russian aggression. The West has grown in both economic and political might. Thus the business of World War II and the Cold War has been closed.

Hungary flirts with authoritarianism and Bulgaria is a weak state, but they are the fixable exceptions. If Russia's military situation in Ukraine were to deteriorate dramatically, it is possible that the opportunistic Hungarian Prime Minister Viktor Orbán would re-embrace the EU and its democratic standards. NATO expansion throughout Central Europe was virtually inevitable because of the decisive and one-sided way the Cold War ended, just as the wars in the former Yugoslavia in the 1990s encouraged the West to expand NATO to Romania, Bulgaria and Albania so that they wouldn't be stranded on the other side of the Balkan battlefields.

Put another way: Had the West not expanded NATO and the EU to the east, we would now be fighting for Poland instead of for Ukraine and Belarus, as Mr. Putin surely would be breathing down the neck of every country between Berlin and Moscow. Ukraine would long ago have been under the heel of the Kremlin. Germany would have drifted further toward neutralism, requiring a close relationship with Russia not only for natural gas but to manage its borders with Poland and the Czech Republic—had those countries not become members of NATO and the EU and been susceptible to greater Russian influence.

We are now fighting to complete the Intermarium, Latin for "between the seas." That is, the Baltic and Black seas—a belt of democratic states, from Estonia in the north to Ukraine in the south, to protect against Russian imperialism. We owe this post-World War I concept to the Polish statesman Józef Pilsudski, who envisioned it as a defense against Germany, too. Germany is now a longstanding ally. With Russia defeated in Ukraine, the purpose of the Intermarium will have been accomplished. This is all about geopolitics until it is all about Shakespeare, since a Russia without Mr. Putin would, however unstable, at least have some possibility of becoming a normal country.

Let's not forget Ukrainian President Volodymyr Zelensky, another Shakespearean character, without whose charisma and dynamic leadership Ukraine might never have mustered the will to resist Russia on the battlefield. Geopolitics gets you only so far.

Mr. Kaplan holds a chair in geopolitics at the Foreign Policy Research Institute and is author, most recently, of "The Tragic Mind: Fear, Fate, and the Burden of Power."

The Other Stanford DEI Scandal

By Betsy DeVos

What happened to Judge Kyle Duncan at Stanford University was repulsive and unacceptable, and the staff who aided and abetted it—most notably DEI dean Tirien Steinbach—should be fired.

This isn't the only scandal on that campus worthy of attention and outrage. The school also faces a criminal case of false sexual-assault accusations. Both instances were complicated by the incessant buildup of nonteaching bureaucrats. Stanford now employs more administrators than it enrolls undergrads—focused on an agenda, not education.

Last month a young Stanford employee was criminally charged with falsely reporting two on-campus sexual assaults. It seems her allegations were part of a revenge plot against a failed romantic interest.

Her accusations, which were dubious from the start, sent the Stanford Title IX apparatus into full swing. That bureaucracy, which enforces rules against sexual misconduct under the authority of a federal antidiscrimination law, issued campuswide safety alerts and spent more than $300,000 trying to secure the campus and find the supposed rapist. In the end, what they found was fraud.

An employee's false rape accusation sends the campus's Title IX enforcers into overdrive.

Manufactured accusations like this aren't common, and they shouldn't deter us from doing everything reasonably possible to protect students from assault. But they also should serve as a reminder of why the goal of Title IX must be to find the truth, not re-engineer campus life.

Stanford leaders were right to note that "these false reports are damaging, both for true survivors of sexual assault and for the members of our community who experienced fear and alarm from the reports."

False accusations are also damaging to their targets. In this case, the falsely accused co-worker broke down in tears, telling investigators, "This is disgusting. I don't feel human. I don't feel human at all."

I heard way too many stories like this as we worked to issue a regulation under Title IX to protect due process. Action was necessary because weaponizing Title IX had become an unfortunate trend. The Obama administration's infamous 2011 "Dear Colleague" letter all but demanded campuses set up kangaroo courts that lacked fundamental due-process rights. The resulting failures were manifold. They led Judge Jose Cabranes of the Second Circuit to observe that the "deeply troubling aspects of contemporary university procedures to adjudicate complaints under Title IX . . . signal a retreat from the foundational principle of due process, the erosion of which has been accompanied—to no one's surprise—by a decline in modern universities' protection of the open inquiry and academic freedom that has accounted for the vitality and success of American higher education."

Regrettably, though predictably, that won't stop the Biden administration from returning to the bad old days. The Education Department's Office for Civil Rights, run by the same extremist who headed it under Barack Obama, is expected to release its final regulation on Title IX soon. If the final is anything like the draft rule released last year, it will demand an evisceration of due-process rights and a significant increase in the power of Title IX administrators.

Most outrageously, the department proposed to restore the so-called single-investigator model of adjudication, in which one bureaucrat can serve as detective, prosecutor, judge and jury. Even a graduate of Stanford Law can see the inherent flaws in such a plan.

Combined with the ever-growing DEI bureaucracies on campus, this spells trouble for those who value the rule of law, free speech and common sense. Campus commissars will have a new array of federally mandated tools to pursue their agendas. Look no further than this administration's efforts to redefine "sex" under Title IX and destroy women's sports.

Sex-based crimes and discrimination are serious matters. Students deserve equally serious rules for addressing them. The Biden Title IX plan is the opposite.

Mrs. DeVos served as U.S. secretary of education (2017-21) and is author of "Hostages No More: The Fight for Education Freedom and the Future of the American Child."

The Coming Biden Bailout of Blue States and Cities

LIFE SCIENCE
By Allysia Finley

The Federal Reserve's latest interest-rate hike paired with the continuing bank panic is causing credit conditions to tighten. State and local governments could be the next sinking ships that Washington gets called on to rescue.

More than a decade of near-zero rates allowed state and local governments to borrow cheaply. At the same time, the Fed's quantitative easing inflated asset values and prompted pension funds chasing high returns to pile into riskier higher-yielding investments. Now that the music has stopped, the bills for years' worth of monetary exuberance are coming due.

The balance-sheet risks for mismanaged states and municipalities have been hiding in plain sight just as they were at Silicon Valley Bank. Continued financial-market turmoil and a prolonged economic downturn could cause some pension funds to collapse and cities to declare bankruptcy. Taxpayers will invariably wind up on the hook for politicians' bad financial bets.

Local government economic-development projects are already growing more expensive and less attractive to private investors owing to rising rates. Consider the $124 million minor-league soccer stadium in Pawtucket, R.I., set to receive about $60 million in state tax credits, federal Covid aid and public debt. Construction started over the winter, but the project's developer is struggling to raise money to complete it as credit conditions tighten. That means taxpayers could wind up paying more of the costs, which explains Rhode Island Gov. Daniel McKee's outburst at the central bank last week.

"I have taken a very strong position that what the Fed is doing accelerating interest rates is not in the best interest of the people of the state of Rhode Island," Mr. McKee said. "They need to stop the increases, halt any increases, and start decreasing that interest rate."

If the Fed is to blame, it's for leaving interest rates too low for too long, which spurred states, localities and private investors to bankroll dubious projects like a 10,500-seat stadium in a city with a population of some 75,000. The country is littered with profligate public-works projects that politicians use to buy votes.

Take San Francisco's 1.7-mile Central Subway, which opened in January at a cost of $1.95 billion, three times as much as initially estimated. The subway is drawing fewer than 3,000 daily riders, no doubt because the design doesn't make sense: Riders have to walk the equivalent of three football fields to connect to other transit lines and take three escalators to reach platforms 12 stories underground. That didn't stop Rep. Nancy Pelosi, other San Francisco Democratic power brokers and their union friends from championing the project. When borrowing is dirt cheap, why not max out the taxpayer credit card?

Now that credit is more expensive, states and localities have come up with a creative new way to finance their political investments more cheaply: Market their bonds as "ESG." New York City last autumn floated $400 million in "social impact" bonds to fund construction of affordable housing. Enormous demand from investors reduced yields the city had to pay.

Taxpayers will be stuck paying debt costs on political pet projects for years to come at the same time as public worker pensions bleed them dry. A report by the research shop Equable estimated that the 228 largest public retirement systems were running a $1.4 trillion unfunded liability at the end of last June.

But stock prices haven't increased much, and the values of other pension-fund investments are falling. Fixed-income assets such as government bonds used to make up about half of pension-fund portfolios but now are only about 20%. To meet their targeted investment return rates—typically between 7% and 8%—pension funds loaded up on higher-yielding stocks and "alternative investments" such as real estate, hedge funds and private equity, which rely heavily on leverage.

Taxpayers will be on the hook for mismanaged pensions and projects from stadiums to subways.

These alternative investments now make up about 30% of pension-fund investments and are getting slammed by rising interest rates. Defaults on office buildings are increasing while property values fall, which will ding pension funds and make it harder for local budgets to fund retirement obligations. About 80% of property-tax dollars in Chicago go to pensions.

Yet Chicago's four pension systems have only enough assets to cover about 25% of what they owe workers and retirees, which is less than Detroit's pension funds had when the Motor City declared Chapter 9 bankruptcy a decade ago. Pension funds in states like Illinois, New Jersey and Connecticut aren't in much better shape.

Insolvent cities could declare bankruptcy, but states as a matter of federal law can't. That means their taxpayers will inevitably have to pay more to cover the pension shortfalls. In Illinois 25% of general tax revenues pay for pensions. Many states—including Illinois—can't afford to bail out their underwater cities, but they also may not want the stain of allowing them to go bankrupt.

The most likely outcome: A cascade of bailouts by some combination of U.S. taxpayers, the Fed and municipal bond investors. Democratic-run states and big cities are simply too politically important for the Biden administration to let fail.

U.S. Expats Face Taxation Without Representation

By James E. Lieber And Peter Spiro

If you're American but live outside the U.S., you must still fill out a tax return with the Internal Revenue Service. The U.S. is the only developed country to tax nonresident citizens, who have to pay where they live as well.

Americans abroad also have trouble opening bank accounts where they live, because the Foreign Account Tax Compliance Act of 2010 imposes heavy burdens on foreign banks with a single American customer. Those customers are required to report ordinary local accounts to the IRS under the overbroad Fatca law, which was meant to target tax evasion via secret overseas accounts. Americans abroad pay the ObamaCare surtax, and many have paid into Medicare, but they receive no benefits from either program.

One reason for this unfair treatment is political: Americans living abroad get the short end of the legislative stick. All other Americans are represented in Congress on a territorial basis. Expatriates' votes are diluted among 435 congressional districts. If they were a state, Americans abroad would be the 12th-largest in the Union—ahead of Virginia, which has 11 congressional districts.

Americans abroad vote in federal elections by registering in their last state of residence. But they face significant obstacles to voting, sometimes including the lack of a U.S. address. Estimated turnout in the 2020 presidential election was 7.8%.

Other countries, including Italy, France and Portugal, provide for direct representation of external citizens in their national legislatures. But that's impossible in the U.S. without amending the Constitution, which allocates congressional representation "among the several states."

A solution lies is the tradition of extending representation to U.S. territories and the District of Columbia through House delegates, who enjoy full congressional privileges short of a vote. It's time to extend to Americans abroad a voice through similar nonvoting representation in Congress.

The smallest territory that has such representation, the Northern Mariana Islands, clocks in at around 50,000 inhabitants. That's fewer than the number of Americans living in Spain. Like existing nonvoting representatives, a delegate for Americans abroad would be defined in territorial terms.

As the price of a delegate, Americans abroad would have to give up their vote for representative and senators in the last place of residence, while retaining the right to vote for president in that state. Many states already permit citizens living abroad to cast special ballots for federal offices only, and Congress has the authority to require all states to do so. That way on Tax Day Americans abroad would have someone in Washington to complain to.

Mr. Lieber is an American lawyer and consultant in Paris. Mr. Spiro teaches law at Temple University.

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TECHNOLOGY: U.S. CRACKDOWN LIFTS HONG KONG'S CRYPTO AMBITIONS B4

BUSINESS & FINANCE

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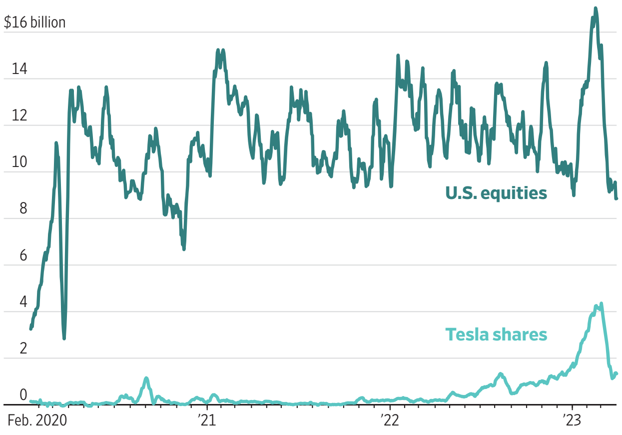
Small Investors Sour on Stocks

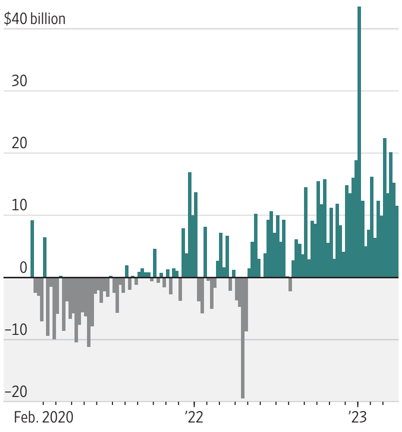
Recession fears and banking crisis diminish a crucial source of support for shares

By Hannah Miao

Individual investors' net purchases, 10-day rolling sum*



Retail money-market funds, weekly net inflows†



*As of Thursday †As of Wednesday

Sources: Vanda Track (net purchases); Investment Company Institute (inflows)

Individual investors are losing their appetite for U.S. stocks, leaving equity markets without a dependable leg of support after a rocky first quarter.

They bought beaten-down shares with a fury at the start of 2023 and chased the momentum as the S&P 500 climbed. Net purchases of U.S. equities by individuals reached a monthly record in February, according to Vanda Research data going back to 2014.

But individuals' stock purchases slowed sharply in recent weeks, falling to levels not seen since November 2020, Vanda data show. Individuals bought about $8.9 billion of U.S. equities on a net basis in the 10 trading sessions ended Thursday, down from a peak of $17 billion in the comparable period ended Feb. 16.

"Retail investors have stepped off the accelerator," said Marco Iachini, senior vice president of research at Vanda. "It was just unsustainable. Conviction is starting to be shaky."

Investor sentiment soured in March, with the percentage of investors who are bearish on the market rising to the highest level since December, according to the American Association of Individual Investors sentiment survey.

Individuals' diminishing interest in stocks comes as investors are navigating a tumultuous market environment in the wake of a banking crisis that caught the financial world by surprise in March. Regulators and bank executives rushed to restore confidence in the health of the financial system after the collapse of Silicon Valley Bank and Signature Bank.

U.S. stocks proved fairly resilient despite the upheaval, with the S&P 500 up 3.5% in March and 7% this year. The banking crisis reignited bets that the Federal Reserve could soon slow its interest-rate increases, giving a boost to stocks, particularly shares of technology companies.

Yet some investors are concerned about the possibility of a pronounced recession on the horizon, rather than the "soft landing" scenario many had hoped the Fed could pull off in its efforts to tame inflation.

In the coming days, investors are awaiting the release of the March jobs report for insights into how the labor market is faring.

Garrett Fuller, a 28-year-old construction engineer in Atlanta, said he sold about 20% of the equity holdings in his brokerage account in early March due to concerns about the economy. He put the cash into a money-market account with a yield topping 4%, he said.

Mr. Fuller was a teenager during the financial crisis that began in 2008 and said he remembers the fallout. He wor-

Please turn to page B9

Tesla Reports Record Vehicle Deliveries

By Rebecca Elliott

Tesla Inc. delivered a record number of vehicles in the first three months of the year, when the company slashed prices to juice demand in a cooling car market.

Elon Musk's electric-vehicle maker said Sunday that it delivered 422,875 vehicles to customers globally in the first quarter, up around 36% from the year before.

The result also topped fourth-quarter deliveries by about 4% but fell short of the expectations of analysts surveyed by FactSet. They estimated the company would deliver around 432,000 vehicles in the first quarter.

It has been a volatile stretch

Please turn to page B4

McDonald's Staff to Await Cuts at Home

By Heather Haddon

McDonald's Corp. is temporarily closing its U.S. offices this week as it prepares to inform corporate employees about layoffs undertaken by the burger giant as part of a broader company restructuring.

The Chicago-based fast-food chain said in an internal email last week to U.S. employees and some international staff that they should work from home from Monday through Wednesday so it can deliver staffing decisions virtually. The company, in the message, asked employees to cancel all in-person meetings with vendors and other outside parties at its headquarters.

"During the week of April 3, we will communicate key decisions related to roles and staffing levels across the organization," the company said in the message viewed by The Wall Street Journal.

Please turn to page B2

INSIDE

RETAILING
Shopping got boring as manufacturers and stores shelved innovation. **B3**

MANAGEMENT
Lyft staff pressed its founders for change as Uber pulled ahead. **B4**

SVB Snarls Bid to Unload Junk Debt

By Alexander Saeedy and Laura Cooper

Recent turmoil in the banking industry has made the already difficult task of selling off tens of billions of risky buyout debt even harder for Wall Street firms.

Bank of America Corp., **Barclays** PLC, **Morgan Stanley** and others together hold $25 billion to $30 billion of "hung debt" on their balance sheets, according to leveraged-finance analytics firm 9fin. The unsold debt is tied to leveraged buyouts that banks agreed to finance before worsening credit conditions last year sapped investor appetite for the paper.

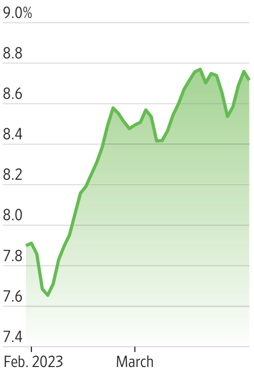
Banks recently started to chip away at the backlog, but the crisis that engulfed Silicon Valley Bank and leveraged-finance powerhouse Credit Suisse Group AG brought that process to a standstill, bankers say. Making matters worse, the biggest single chunk of hung debt—more than $13 billion in loans backing Elon Musk's takeover of **Twitter** Inc.—just became even less attractive as a result of a move by the billionaire to write down the value of the social-media platform by more than half of the purchase price after its revenue and earnings plunged.

In a reflection of lessened investor enthusiasm, risky bond and loan markets fell after concerns about the stability of the banking sector emerged. The average yield on an index of North American high-yield bonds compiled by SOLVE jumped from around 7.5% to nearly 9% between February and March. (When bond prices fall, yields rise.)

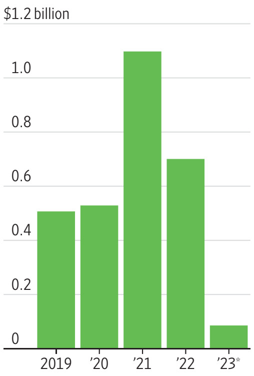
When credit conditions rapidly deteriorate as they did when interest rates started to rise last year, banks face a difficult choice of selling off debt they have agreed to underwrite—often at a loss—or holding on to it in hopes that markets improve. In the case of Twitter, banks faced a potential hit upward of $500 million if they had sold its

Please turn to page B9

Average yield on North American high-yield bond index



Total sponsor M&A transaction volume



*Year-to-date

Sources: SOLVE Advisors (yield); TradeWeb (transaction volume)

◆ Heard on the Street: Regional banks' debt dilemma......... B10

WWE Nears Sale To UFC's Endeavor

By Lauren Thomas and Joe Flint

World Wrestling Entertainment Inc. is nearing a deal to be sold to **Endeavor Group Holdings** Inc., which owns the Ultimate Fighting Championship, according to people familiar with the matter.

As part of the deal, Endeavor's UFC business and WWE will form a separate publicly traded entity, the people said, in which Endeavor shareholders would hold 51% and WWE shareholders would retain 49%. The deal, which CNBC reported earlier, was expected to be announced Monday, the people added.

Vince McMahon, the majority owner and former chief executive of WWE who retired last year amid a misconduct probe, returned to the company in January to pursue a

Please turn to page B2

Goldman Sachs Seeks to Invest in Greek Resorts

By AnnaMaria Andriotis

Goldman Sachs Group Inc.'s search for steady revenue has led it to an unlikely place: the epicenter of a financial crisis that rocked Europe a decade ago.

The Wall Street giant is investing about €150 million to €200 million (equivalent to about $163 million to $218 million) in three seaside resorts in a northern region of Greece, according to people familiar with the matter. The plan is to spruce up the hotels, which are closed, and open them to guests in the next couple of years, the people said. Goldman bought the hotels in October and has financing in place to renovate them. The bank is hunting for more properties—in Greece and elsewhere—and developing a brand that it could use to unite them, according to people familiar with its plans.

The investment is the work of the bank's asset-management division, which funded the deal with Goldman's own money and that of the unit's clients. The deal, while relatively small, reflects the firm's expanding search for stable revenue that can smooth out the bumps of its lucrative, but volatile, Wall Street businesses.

Goldman's investment-banking and trading businesses mint fortunes when market conditions are ripe. Booming stocks and a deal-making surge helped the bank notch record profits in 2021. Last year's market rout sent deal makers back to the sidelines and profits back to earth.

NICOLAS ECONOMOU/NURPHOTO/ZUMA PRESS

Goldman Sachs' asset-management unit recently bought three hotels in Halkidiki, in northern Greece.

Asset and wealth management are less tethered to the market's ups and downs. Investors pay Goldman a fee to manage the assets—in this case, hotels—and the firm can generate a profit when it sells them down the line.

Goldman took in $8.8 billion in asset and wealth-management fees in 2022, a record for the firm, and aims to hit a $10 billion annual target by the end of 2024. For private investments, like the hotels, the bank raised about $179 billion since the end of 2019 from outside investors, with a goal of hitting $225 billion in 2024.

The asset-management business isn't immune to market pressure. A decline in the value of its investments dented the unit's earnings last year.

Goldman has long pursued deals for beaten-down real-estate assets in places where the economy is on the upswing.

Though part of the European

Please turn to page B4

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A
Adani B10
Amazon A14
Apollo Global Management B2,B9
Apple A14
B-E
Bank of America B1,B9,B10
Barclays B1
Basic Fun B3
Best Buy B3
Binance Holdings B4
Bybit B4
itrix Systems B9
Disney A1
Evercore B2
Endeavor Group Holdings B1
G
Gap B3
Goldman Sachs Group B1
H
Hindenburg Research B10
Hindustan Zinc B10
J-L
Jefferies Financial Group B2
JPMorgan Chase B9,B10
Kaiko B4
LDB Capital B4
M
McDonald's B1
Meta Platforms B9
Morgan Stanley B1
N
Nielsen Holdings B9
Nordstrom B3
Nvidia B9
P
PayPal Holdings A1
Q
Qualtrics International B9
R
Randa Apparel & Accessories B3
Roper Technologies B9
T
Tesla B9
Tilly's B3
Twitter A1,B1
U
Uber Technologies B4
UBS B2
UBS Group B10
Univar Solutions B9
V
Vedanta Resources B10
W
World Wrestling Entertainment B1

INDEX TO PEOPLE

A-B
Abelson, Jeremy B4
Aguilar, Omar B9
Bonfig, Jason B3
C
Crone, Richard A4
Cohen, Marshal B3
E-F
Emanuel, Ari B1
Foreman, Jay B3
G
Green, Logan B4
H
Hertrich, Greg B9
I
Iachini, Marco B1
Iger, Robert A1
K
Katz, David B3
Kelly, Steven B2
Kirkhorn, Zach B4
Klein, Michael B2
Körner, Ulrich B2
L
Levy, Dan B1
M-N
Malik, Saira B9
Martin, Bob B3
McMahon, Vince B1
Mollins, Robert B4
Musk, Elon A1,B1
Nordstrom, Pete B3
P
Pagliara, Tim B9
R
Risher, David B4
Ross, Jeffrey B9
S-T
Slok, Torsten B9
Smith, Nafis B9
Soubiran, Ambre B4
Thomas, Ed B3
W
Wong, Jason A4
Y
Yoshimasa Hayashi A11
Z
Zelter, Jim B2
Zimmer, John B4

BUSINESS & FINANCE

Swiss Prosecutors Investigate UBS's Takeover of Credit Suisse

By Patricia Kowsmann

LIAN YI/XINHUA/ZUMA PRESS

After the takeover, UBS will manage about $5 trillion in invested assets, more than many U.S. rivals.

Switzerland's prosecutors are probing the government-orchestrated takeover of **Credit Suisse Group** AG by rival **UBS Group** AG.

The federal prosecutor has reached out to national and local authorities and "issued investigation orders" to analyze and identify if any criminal offenses took place under the deal, which also involved the government; the financial regulator, Finma; and Switzerland's central bank, a spokeswoman said.

"In view of the relevance of the events, the office of the attorney general wants to proactively fulfill their mandate and their responsibility to contribute to a clean Swiss financial center," the spokeswoman said.

Representatives for Credit Suisse, UBS and the Swiss finance ministry declined to comment.

Swiss regulators stepped in to arrange the merger two weekends ago after Credit Suisse customers, worried about its financial health, fled en masse. Government officials and regulators said the takeover was the only option. Letting Credit Suisse fail, they said, would cause a financial crisis in the country and likely globally.

UBS is paying more than $3 billion for Credit Suisse. To sweeten the deal, the Swiss government said it would provide more than $9 billion to backstop some losses that UBS might incur by taking over the bank. The Swiss National Bank is also providing more than $200 billion of liquidity to UBS to help facilitate the deal.

Shareholders at Credit Suisse have complained they were stripped of their right to vote on the merger, while holders of $17 billion worth of Credit Suisse Additional Tier 1 bonds that got wiped out under the deal say they were unfairly targeted.

AT1 bonds are securities that might become worthless when a bank runs into financial trouble. Shareholders are generally expected to take losses before these bondholders do.

The government is also facing questions over its decision to hastily pass new laws to facilitate the deal, including allowing it to happen without a shareholder vote.

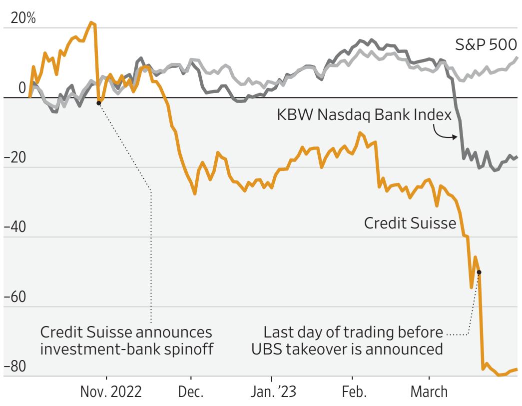
Following the takeover, UBS will manage about $5 trillion in invested assets, more than U.S. rivals like Morgan Stanley with big wealth-management arms. It will have to absorb Credit Suisse's staff, likely cutting thousands of jobs in Switzerland and abroad, and will have to shrink the bank's troubled investment-banking business.

Credit Suisse Had Counted on a Spinoff to Save Itself

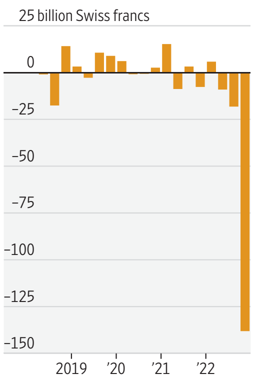
Credit Suisse Group AG's new-look investment bank, CS First Boston, was supposed to help salvage the lender. Instead, it may have hastened its fall.

By Margot Patrick, Justin Baer and Julie Steinberg

Share-price and index performance since October 2022



Credit Suisse net change in customer deposits, quarterly



Note: 1 billion Swiss francs=$1.09 billion

Sources: FactSet (performance); the company (customer deposits)

The Swiss bank, buffeted by years of missteps and scandals, had a choice last year: raise even billions more in new stock to shut down its scandal-prone investment bank or pull out the best parts and try to make money. It went for the second option, and miscalculated investors' willingness to give it one more shot.

The plan, unveiled in October as bank customers and trading partners were jumping ship, looked too complex to many analysts and investors.

The spinoff might have worked during a financial peacetime, said Steven Kelly, a researcher at Yale University's program on financial stability, but not when markets had been upended by high inflation and rising interest rates, and Credit Suisse itself was in crisis.

Many shareholders had hoped that Credit Suisse, after years of promising to rein in the investment bank, would just shut down most of the division. After all, that playbook worked a decade before for **UBS Group** AG.

With the October proposal, Credit Suisse announced that the new, New York investment bank would be run by board member Michael Klein, a Wall Street rainmaker who is described by peers as the best investment banker of his generation. Credit Suisse later said it would pay $175 million to buy Mr. Klein's advisory firm and fold it into the new company. His firm would receive a $10 million advisory fee for working on the deal.

Clients and shareholders continued to lose faith.

In March, several small or midsize U.S. banks imploded, rattling investors, depositors and regulators on both sides of the Atlantic. Time was up for Credit Suisse. The Swiss government pushed UBS to buy Credit Suisse for a fire-sale price in a state-supported rescue.

The collapse revealed a harsh truth: Credit Suisse had been trying to change for years, but never really did. Investors wanted a simple solution to the problems at the investment bank and got yet another risky plan.

Credit Suisse planned to remain a significant shareholder in CS First Boston. By its own projections, it would take at least a couple of years for the new firm to become a public company.

UBS has said it will wind down most of the Credit Suisse investment bank.

To be sure, closing the investment bank in the fall wouldn't have been easy either, and it might not have saved Credit Suisse. The bank had to sell new stock for the plan it pursued. It likely would have had to sell far more, further diluting shares for long-suffering investors, for a shutdown.

And every business Credit Suisse exited meant less revenue but not necessarily fewer costs—a lesson Credit Suisse learned when it stopped financing hedge funds after losing more than $5 billion from Archegos Capital Management in 2021.

The ambition for the CS First Boston spinoff, according to people familiar with the plan, was to create an investment bank that analysts valued at negative $15 billion, and make it a deal-making and advisory business valued at as much as $6 billion. Credit Suisse's large trading operations wouldn't be included.

That hoped-for valuation was based on CS First Boston bringing in billions of dollars in revenue a year, and would make it comparable with potential rivals such as **Jefferies Financial Group** Inc. and **Evercore** Inc.

Apollo Global Management and Saudi Arabia's crown prince expressed interest in investing. So did others, including the Qatari sovereign-wealth fund, according to people familiar with the matter.

But ratings firms downgraded the bank. A large shareholder, Harris Associates, began selling.

A few days before Credit Suisse was sold, Chief Executive Ulrich Körner told Bloomberg TV that CS First Boston was close to getting firm commitments from investors.

"It's the right strategy. It's the right plan. We are executing at pace," Mr. Körner said.

Mr. Klein is in talks to unwind the agreement to sell his advisory boutique to Credit Suisse, people familiar with the matter said. The sale hadn't gone through yet, the people said.

WWE, Endeavor Near Deal

Continued from page B1

sale, The Wall Street Journal previously reported.

In a series of articles last year, the Journal revealed that Mr. McMahon had for decades paid to suppress allegations of sexual misconduct. The revelations and the findings of a WWE board investigation led to his brief retirement after 40 years.

The Journal reported in July that Mr. McMahon had entered into secret settlements with women totaling more than $12 million from 2005 to 2022. The Journal reported in January that he had also entered into a multimillion-dollar settlement with a former wrestling referee who accused him of rape.

Mr. McMahon denied the rape allegation. He and WWE have declined to discuss the other settlements. They said they cooperated with the board inquiry. The settlements helped maintain a culture of secrecy in the professional wrestling community that Mr. McMahon enforced through his clout to make or break wrestling careers.

Mr. McMahon repaid WWE $17.4 million to cover costs related to a sexual-misconduct probe, the company disclosed in a securities filing last month.

The Journal revelations triggered pending criminal and civil investigations into the activities by Mr. McMahon.

Days after Mr. McMahon's return to WWE this year, the company's board of directors unanimously elected him as executive chairman.

His daughter, Stephanie McMahon, also resigned as chairwoman and co-CEO, leaving Nick Khan, who had been the other co-CEO, as the sole chief executive.

The Endeavor deal gives WWE an enterprise value of $9.3 billion and UFC an enterprise value of $12.1 billion, the people said.

Ari Emanuel, chief executive officer of Endeavor, is set to serve as CEO of the new public company in addition to his current role, the people said. Mr. McMahon will be executive chairman of the new company, they said.

WWE's shares have rallied about 33% in the year to date, bringing its market capitalization to $6.8 billion as of Friday. Endeavor's shares are up about 6% over the same period, bringing its market value to $10.5 billion.

McDonald's To Reveal Staff Cuts

Continued from page B1

McDonald's declined to comment on the number of employees being laid off.

McDonald's in January said that it planned to make "difficult" decisions about changes to its corporate staffing levels by April, as part of a broader strategic plan for the burger chain.

Chief Executive Chris Kempczinski said in an interview at the time that he expected to save money as part of the workforce assessment, but said then he didn't have a set dollar amount or number of jobs he was looking to cut. "Some jobs that are existing today are either going to get moved or those jobs may go away," Mr. Kempczinski said.

McDonald's employs more than 150,000 people globally in corporate roles and its owned restaurants, with 70% of them located outside of the U.S., the chain said in February.

McDonald's in the message acknowledged that the week of April 3 would be a busy one for personal travel, which it said contributed to the decision to deliver the news remotely. Workers who wouldn't have access to a computer during the week should provide personal contact information to their manager, the company said.

"We want to ensure the comfort and confidentiality of our people during the notification period," the company said.

Companies across industries are reducing head counts amid concerns about a slowing economy. Layoffs that began in the tech sector last year have spread to retailers and manufacturers. Last month Amazon.com Inc. said it was eliminating 9,000 more jobs.

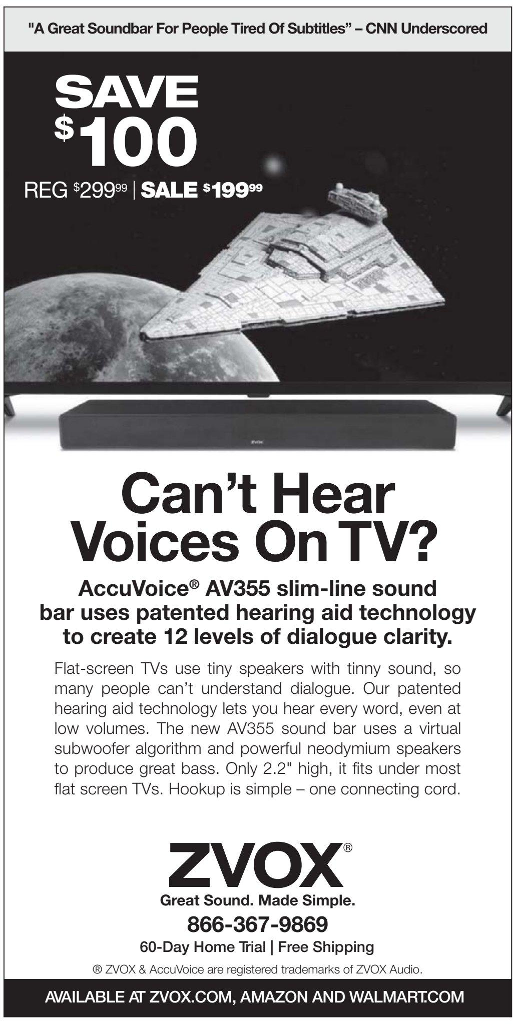
McDonald's as well as retailers have held up even as retailers have reported a slowdown in spending.

The company told investors in January that some lower-income consumers were ordering fewer items per visit or opting for cheaper offerings, but customers generally continued to spend at its restaurants.

McDonald's has conducted several rounds of layoffs in recent years. In 2018, McDonald's said that the company was cutting its management to be "more dynamic, nimble and competitive." The company said at the time that the layoffs would occur as part of a half-billion-dollar plan to shrink administrative expenses by the end of 2019.

Mr. Kempczinski, who was the company's U.S. president at the time, didn't disclose the scope of the head-count reduction, but said it included regional chain offices. McDonald's said it employed 205,000 people globally in corporate roles and its owned restaurants in 2019, down from 235,000 in 2017.

In a company message from January, McDonald's said that the sprawling company operated in too many silos, leading to redundancies and slowing its innovation.



Innovation In Retail Got Shelved

Manufacturers, stores leaned on popular goods amid pandemic consumer shifts

By Suzanne Kapner

The maker of Tonka trucks and Lite-Brite normally introduces four new toys a year. Last year, **Basic Fun** Inc. introduced one.

Manufacturers and retailers of everything from computers to dresses hit pause in the past few years when it came to innovation, the result of pandemic-related upheavals in the design, manufacture and distribution of goods, industry executives said. Shifting consumer demand and the expectation of an economic slowdown played a role, the executives said.

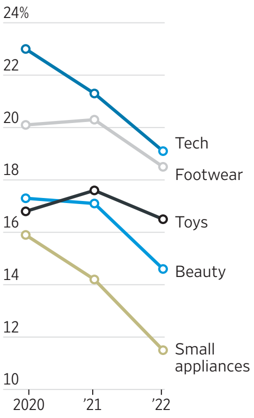
New merchandise gives shoppers a reason to buy. Without it, sales tend to suffer. Retailers including **Best Buy** Co. and **Gap** Inc. said a dearth of new products, styles and colors contributed to lackluster sales during the recent holiday season.

Now, the race is on to increase newness, the executives said. But the work that goes into creating new products often takes months, if not years. And some companies are reluctant to invest in research and development while economic uncertainty looms.

"The last thing you want to do is spend the money to create and make a new product and have it get stuck in the socio-economic crossfire of Covid, supply-chain disruptions and inflation," said Basic Fun Chief Executive Jay Foreman. "All these things coming together at the same time means that you have to play it safe."

Mr. Foreman said Basic Fun is delaying plans to relaunch its Littlest Pet Shop collectible figures until spring 2024 from fall of this year. "We anticipate the supply chain getting back to normal by the middle of this year," he said. "But we're still concerned about inflation and a slowdown in consumer spending."

New general merchandise items available at retail stores as a share of total items in each category



Source: Circana

Gap Chairman and interim CEO Bob Martin said that a pile-up of excess inventory hindered the company's ability to innovate.

"You stop leveraging creative strengths, you play it safe, and miss the bigger bets to get back on trend," he said. Now that the company has worked through its excess inventory, he added, it has more room to devote to spring trends like eyelet and crochet tops at Gap, new suiting styles at Banana Republic, and Old Navy dresses with pockets.

There were 13% fewer new general merchandise items in 2022 compared with 2020, according to market-research firm Circana. The biggest declines were in beauty, footwear, technology, small appliances and toy categories.

Marshal Cohen, Circana's chief industry adviser, said the decline is unprecedented and the result of several factors.

The pandemic radically altered consumption patterns, which forced manufacturers and retailers to pivot quickly to keep up with shifting demand. Supply-chain disruptions created a scarcity of goods, and then a glut. With excess merchandise clogging shelves, retailers were unable to bring in fresh goods. Remote work made collaboration to dream up new ideas more difficult.

"Something as simple as a new flavor, color or style can create demand," Mr. Cohen said. "With a decline in newness, we are boring consumers to death."

When demand for computers, TVs and other electronic gadgets surged, manufacturers focused on producing as much as they could of existing products to address shortages, Jason Bonfig, Best Buy's chief merchandising officer, said.

Mr. Bonfig said he is starting to see an improvement in the flow of new products hitting stores, including TVs with larger screens and computers with longer battery life. "Vendors want to get back to growth," he said. "They know new models are what brings people to our stores."

Some retailers acknowledged the problem rests as much with them as with suppliers. "We didn't have as many choices in women's tops as we did in the past," Ed Thomas, CEO of teen-clothing retailer **Tilly's** Inc., said. "Part of that was our problem. We may have been offered styles that we said no to, because we were too gun-shy to take a chance. We had no idea where the economy was going, so we were more conservative in our buying."

Nordstrom Inc. has set a goal this year of selling through its inventory at a rate 10% faster than last year, to allow it to bring in fresh merchandise more frequently, said Pete Nordstrom, the store chain's president. "We want our customers to say, 'Every time I come to Nordstrom there is something new,' " he said.

Retailers said there are more new products hitting stores now that the supply chain is normalizing and the excess inventory has cleared out. But shoppers might not see a big change just yet.

"There is a disconnect between what's in stores and what's being shown on the runways and in fashion magazines," said Lucia Gulbransen, a personal stylist. "You just can't find the newness and the fashion-forward looks you see on Instagram."

Some manufacturers said retailers are still too hesitant to pull the trigger on big, unproven bets.

"It's an all-around risk-averse season," said David Katz, chief marketing officer of **Randa Apparel & Accessories**, which makes clothing and accessories for brands ranging from Calvin Klein to Levi Strauss & Co. "There is more pushback than usual on new styles."

GABRIELA BHASKAR FOR THE WALL STREET JOURNAL

Nordstrom aims to sell through its inventory at a rate 10% faster than last year to allow it to bring in fresh merchandise more frequently.

Parisians Vote to Ban Rentals of E-Scooters

By Sam Schechner

PARIS—People in the French capital have voted to ban electric-scooter rental services from its streets in a hotly debated referendum, a dark signal for an urban transportation market that the city helped pioneer.

Electric-scooter rentals lost in a landslide, with 89% of the relatively few people who participated Sunday voting against the services, according to final tallies released by the city.

As a result, the three companies that pay for contracts to operate in Paris, including the U.S.-based company Lime, will have to yank their fleet of a combined 15,000 e-scooters in the city by Sept. 1, Paris Mayor Anne Hidalgo said Sunday.

The ban marks the first time that any major city globally that had offered contracts for e-scooter rentals in the center of town has made a complete U-turn on its policy, the companies said. It is a blow to scooter companies such as Lime, which had pointed to Paris as an example of how their services could be effectively regulated.

Turnout for the vote in Paris on Sunday was low, with 103,084 people voting, or 7.5% of those registered.

The scooter companies said in a joint statement that the low turnout reflected what they called restrictive rules that discouraged the services' users, with only 21 polling locations listed across the city and no electronic voting. "This led to an extremely low turnout, heavily skewed toward older age groups, which has widened the gap between pros and cons," they said.

The companies said that their electric-bike rental services in Paris, which aren't affected by the vote, will continue to operate.

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SERGIO FLORES FOR THE WALL STREET JOURNAL

Lyft's market share has fallen and its market value, nearly $22 billion two years ago, now sits at less than $3.5 billion.

Lyft Staff Pressed Founders For Change as Uber Took Lead

By Preetika Rana And Emily Glazer

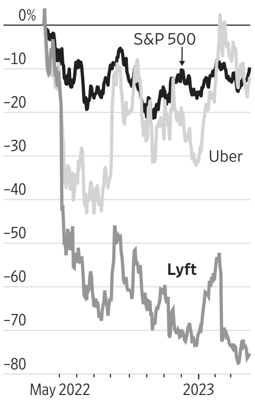
Lyft Inc.'s leadership change followed months of discontent among some employees over its shrinking market share and stock price.

As the ride-share company struggled with competition from **Uber Technologies** Inc., some people within the company questioned the leadership of its co-founders—Chief Executive Logan Green and President John Zimmer—for months. Some investors and stock analysts also urged change. Last Monday, Lyft said the founders would be stepping down from day-to-day management. The company tapped as its CEO a board member with experience working at big tech companies and nonprofits.

In recent meetings and Slack messages, employees questioned whether Messrs. Green and Zimmer were still the right people to lead the business, according to attendees and messages described to The Wall Street Journal. The board found out about employees' concerns and discussed the issue, people familiar with the discussions said.

At an all-hands meeting in February, employees asked whether there was accountability from the co-founders, particularly as Uber fared much better, attendees said. That echoed concerns raised at previous meetings, they said.

Share and index performance over the past year



Source: FactSet

In November, after the company laid off 13% of its staff, one employee asked the co-founders why they weren't stepping down, attendees said. Lyft's co-founders responded that they were learning from their mistakes and moving quickly, attendees said.

"Not the time to learn from mistakes. Time for professional leadership," an employee wrote on an internal Slack channel at the time.

"It seems new leadership may be needed at a higher level. Why are we always 10 steps behind our competitors?" another employee wrote.

While the co-founders built a scrappy startup into a household name, Lyft lately has struggled with challenges, new CEO David Risher said. "It's not like we're in a position of immense strength in the market. I wish I could say we were," said Mr. Risher, who joined Lyft's board in 2021.

The co-founders said in interviews that they were stepping back for personal reasons. Mr. Green said he wanted to give priority to spending more time with his wife and four children, and he approached the board about finding a new leader late last year.

Uber has long outpaced its younger rival Lyft, and its lead has been widening in recent years. Lyft's market share has fallen and its market value, nearly $22 billion two years ago, now sits at less than $3.5 billion, an 85% erosion. Uber's stock price fell around 40% in the same period.

Along with the layoffs late last year, Lyft scaled back on other businesses, such as renting cars to customers, as it looked to weather a possible recession. Uber hasn't had to be as aggressive with cost-cutting and layoffs.

While Lyft in February reported record revenue for the fourth quarter, investors have been worried about its prospects. Its shares tumbled more than 35% after those results because they included a weaker-than-expected revenue outlook.

Lyft's "execution has been wildly inconsistent versus Uber," said Jeremy Abelson, founder of Irving Investors, which owns shares in both companies. Change was needed at Lyft, he said.

The change was necessary "to begin rebuilding investor trust," Gordon Haskett Research Advisors analyst Robert Mollins wrote in a note to clients this week. He added that "addressing management's past failures are a significant undertaking that will likely take time."

Four years ago, many on Wall Street saw Lyft as a safer bet than Uber. Uber's food-delivery business hadn't proved itself, and its ride-share business was facing regulatory challenges overseas. Lyft looked to some like it was in a better position because it stuck to transportation and limited its business to the U.S. and Canada. Then the pandemic hit both companies, Lyft much harder. And Uber's food-delivery business boomed during lockdown.

"There's always things we could have done differently or better," co-founder Mr. Zimmer said. Mr. Green, added that he regretted not taking Lyft global.

U.S. Crackdown Lifts Hong Kong's Crypto Ambitions

By Elaine Yu

HONG KONG—Hong Kong's attempt to attract cryptocurrency companies is getting help from an intensifying crackdown by American regulators.

The city was once home to a number of prominent companies, including Crypto.com, BitMEX and now-bankrupt FTX. But increasing competition from Singapore, concerns about China's tough approach to crypto and Hong Kong's prolonged and strict response to Covid-19 meant many companies in the sector left.

Hong Kong is now determined to bring some of that action back, in contrast with the U.S. In the past few weeks alone, U.S. regulators have cut off access to crypto products and services, targeted crypto friendly banks, brought civil charges against celebrities said to have touted digital assets and sued exchanges including **Binance Holdings** Ltd., the operator of the world's largest crypto exchange. Additionally, prosecutors have accused FTX founder Sam Bankman-Fried of conspiring to bribe Chinese government officials in their latest indictment.

"The U.S. being more stringent these days than ever on crypto and Hong Kong regulating in a more favorable way...is going to clearly shift the center of gravity of crypto assets trading and investments more towards Hong Kong," said Ambre Soubiran, chief executive of **Kaiko**, a digital assets data provider based in Paris. "We want to be where our clients are," she said.

Hong Kong's Securities and Futures Commission proposed a new licensing framework in February, focusing on investor protection. A senior official said at a briefing that the regulator wanted to prevent a recurrence of the problems that brought down FTX, as well as other fraudulent behavior.

More than 20 crypto and blockchain companies from mainland China, Europe, Canada and Singapore have told the government they are planning to establish a presence in Hong Kong, while over 80 firms have expressed interest in doing so, according to official figures.

Kaiko's head of Asia-Pacific relocated to Hong Kong from Singapore in late March. The company, which provides valuation and risk-management data to financial institutions and crypto firms, plans to build a team in the city with customer-facing roles, Ms. Soubiran said. One reason Kaiko has set its sights on Hong Kong is its access to Chinese institutional investors in the city who may be warming to crypto, she added.

Bybit, a cryptocurrency exchange based in Dubai, said it is working to build its core Asian operations in Hong Kong, with plans to put part of its research and development as well as marketing teams in the city. The exchange, founded in 2018, is planning to apply for a license in Hong Kong under proposed rules coming into effect in June.

LD Capital, a crypto investment fund founded in Shanghai and now based in Singapore, is preparing to move its headquarters to Hong Kong this year, attracted by its financial-market infrastructure, more sophisticated secondary market and talent pool, said partner Joy Lou. The fund is working with recruiters in Hong Kong to hire traders as well as investor relations and compliance professionals locally, she said.

PAUL YEUNG/BLOOMBERG NEWS

Bitcoin ATMs in Hong Kong. More than 20 crypto and blockchain firms have said they are planning to establish a presence there.

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BUSINESS OPPORTUNITIES

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apricus health

All of the Equity of Apricus Health MSO LLC will be sold via Public Sale under Article 9 of the Uniform Commercial Code.

Public Sale will take place on Friday, April 7th at 1:00pm (MT) at 2 N Central Ave #2100, Phoenix, AZ 85004

For information, email Molly Froschauer at: mfroschauer@sherwoodpartners.com or call 310.295.2130

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Contact: Gilleland Properties, ngille9585@aol.com or call 843-384-7327, ask for Ned Gilleland.

NOTICE OF SALE

UCC PUBLIC SALE NOTICE

PLEASE TAKE NOTICE that on May 4, 2023 commencing at 2:30 p.m. Eastern Prevailing Time (the "Sale Date"), Merchant Factors Corp. (the "Secured Party"), based upon the occurrence of one or more Events of Default under that certain Discount Factoring Agreement dated as of December 1, 2013 between Soludos LLC (the "Debtor") and Secured Party (the "Factoring Agreement"), pursuant to the Factoring Agreement and Article 9 of the Uniform Commercial Code as enacted in the State of New York (the "UCC"), by public sale to be conducted by audio/video conference, shall dispose of Debtor's right, title, and interest in and to the following assets of Debtor (all such terms as defined in the Factoring Agreement, and collectively, the "Collateral"): Inventory; Equipment; Intangibles; Books and Records. The public sale shall be conducted by an auctioneer licensed in the State of New York as selected by Secured Party in its sole and absolute discretion.

The Collateral is offered "AS IS, WHERE IS", with all faults, and Secured Party makes no guarantee, representation, or warranty (including, without limitation, any representation or warranty of merchantability or fitness), express or implied, of any kind or nature whatsoever.

Secured Party will be permitted to bid at the sale, and notwithstanding any requirement herein that the sale of the Collateral be for cash, Secured Party may credit bid all or any portion of the outstanding balance of the amounts due under the Factoring Agreement. Secured Party reserves the right, in its sole and absolute discretion, to (a) reject all bids and terminate the sale or adjourn the sale to such other date and time as Secured Party may deem proper, by announcement at the place and on the date of sale, and any subsequent adjournment thereof, without further publication, and (b) impose any other commercially reasonable conditions upon the sale of the Collateral as Secured Party may deem proper in its sole and absolute discretion.

The public sale of the Collateral shall be subject to the terms and conditions set forth in the "Terms of Public Sale" (including without limitation terms and conditions with respect to the availability of additional information, bidding requirements, deposit amounts, bidding procedures, and the consummation of the public sale), which may be obtained by contacting: Merchant Factors Corp., 1441 Broadway, 22nd Floor, New York, New York 10018, attn: Scott Adler, email sadler@merchantfinancial.com.

Tesla Posts Deliveries Record

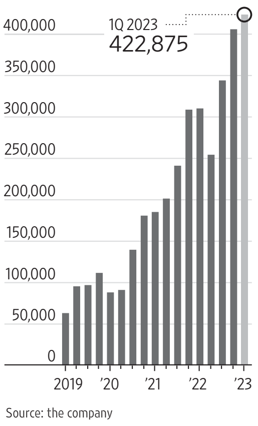
Continued from page B1

for the world's most valuable car company.

Tesla's stock recorded its worst annual performance on record in 2022, falling 65% before reversing some of those losses in 2023 as it demonstrated resilience in the face of economic uncertainty. Its shares closed the quarter at $207.46, around the level where they were trading last fall.

Tesla has more wiggle room than most auto makers to play with pricing because of comparatively high operating margins—16.8% last year—and a robust cash cushion. However, the company hasn't brought a new passenger vehicle to market in three years, a long gap by industry standards, and its least expensive offering starts above $40,000 in the U.S.

Tesla deliveries quarterly



Source: the company

That has stoked concerns among some on Wall Street about Tesla's ability to maintain its growth trajectory without cutting prices further. Tesla slashed prices across its lineup in January, reducing the cost of some vehicles by nearly 20%, and has continued to make adjustments since.

"In recent months Tesla has pivoted from being supply-constrained to being demand-constrained," Barclays analyst Dan Levy wrote in a recent note to investors, forecasting further price cuts from Tesla.

Mr. Musk, the company's chief executive, suggested in January that orders picked up after Tesla cut prices.

Investors are poised to get a first look at how the price cuts are affecting Tesla's balance sheet on April 19, when the company is scheduled to report first-quarter results. Wall Street expects first-quarter profit to slide to around $2.6 billion, from $3.3 billion for the first three months of 2022, despite an expected increase in sales, according to FactSet. Quarterly revenue is forecast to climb above $23 billion, from $18.8 billion a year earlier, FactSet data show.

Model 3 sedans and Model Y crossovers, Tesla's more affordable offerings, made up around 97% of the company's first-quarter deliveries. The remainder were Tesla's luxury vehicles. The company didn't disclose having sold any semi-trailer trucks in the period.

Watch a Video

Scan this code for a video on Musk's plans to make Twitter profitable.

Goldman Seeks Greek Resorts

Continued from page B1

Union for decades, Greece is often lumped in with emerging-market economies after suffering a deep depression spurred in part by the collapse of the government's finances in 2009. Its companies tend to sport lower valuations than those in Western European nations.

Yet investors have warmed to Greece in recent years, in part due to a right-leaning government that has embraced capital markets and foreign investments. Tourism hit records last year. Real-estate prices in major cities and vacation areas are rising. In January, Fitch Ratings upgraded Greece to one level below investment grade; S&P Global Ratings did the same thing last year.

Goldman's reputation took a hit in the country after it was revealed that a senior Goldman executive had set up a trade that helped mask the country's true indebtedness. The trade produced fees of as much as $300 million for Goldman, The Wall Street Journal reported.

Still, the bank never left Greece. Since 2021, its bankers have helped raise billions of euros in funding for some of the country's largest banks and helped arrange for a roughly $2 billion sale of a Greek food company to Mondelez International Inc. Goldman bankers also helped advise the National Bank of Greece when it sold most of its insurance company to Luxembourg-based CVC Capital Partners for about €500 million.

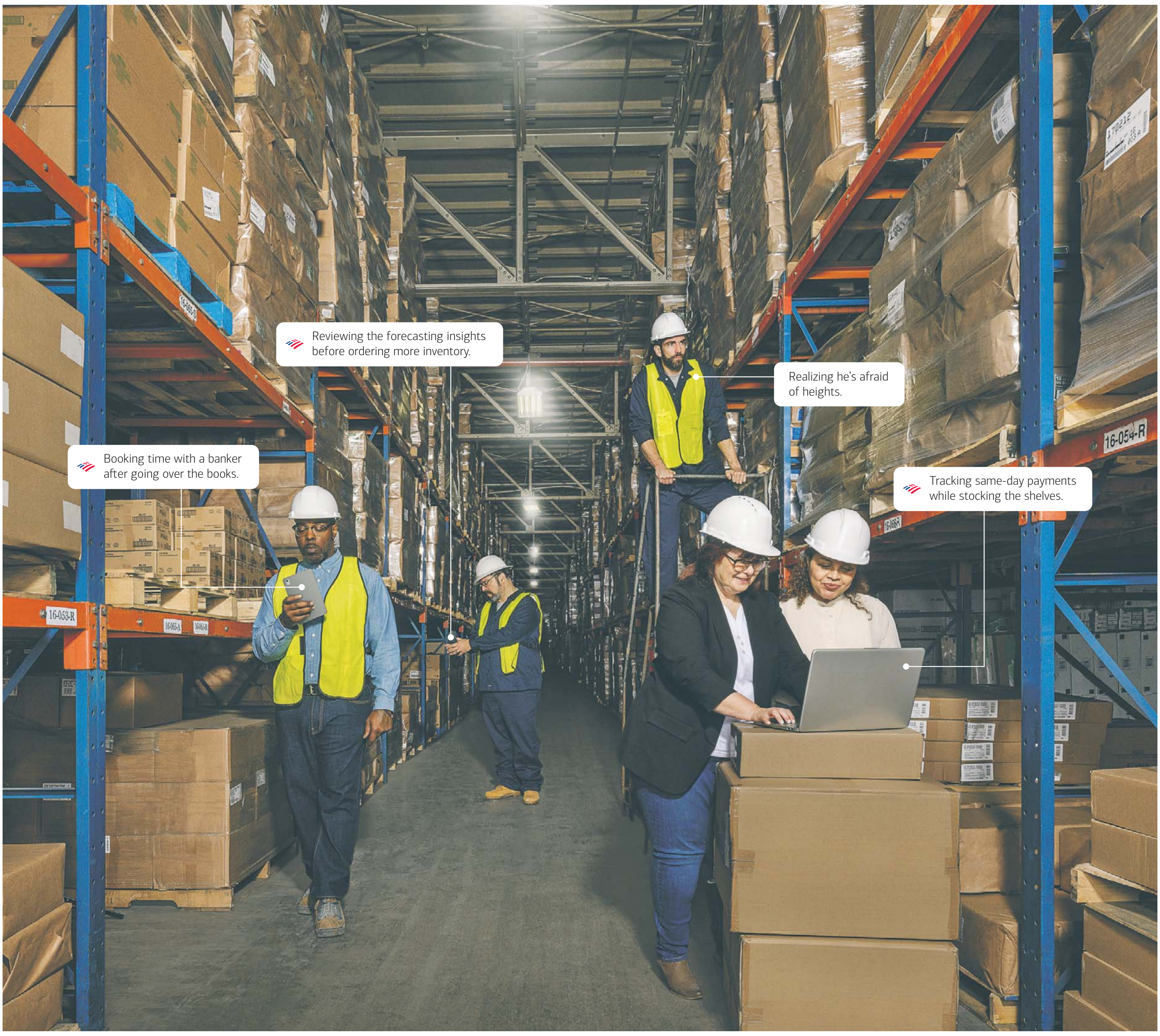
In June, Goldman's investment-banking arm opened its first office in Athens.

Goldman has invested in Greek real estate before. The bank bought about 25% of a luxury beach-resort group as part of a roughly €400 million investment led by Oaktree Capital Management. The companies sold their stakes last year. Around 2018, Goldman tried and failed to buy a hotel in Athens with views of the Acropolis.

Goldman is working out the details about how it will make money on the trio of hotels it bought last year. (Greek media previously reported on the deal.) The bank is hiring mechanical engineers and architects and building its own management team to oversee the project, according to people familiar with the matter.

The hotels have views of the Aegean Sea, but they are far from pricey islands like Mykonos and Santorini and the tourists that crowd them.

They are located near each other on a northern peninsula called Halkidiki, a little over an hour's drive south of Thessaloniki, Greece's second-largest city and home to an international airport. The area is a popular tourist destination, especially among Europeans who prefer to drive to Greece rather than fly.



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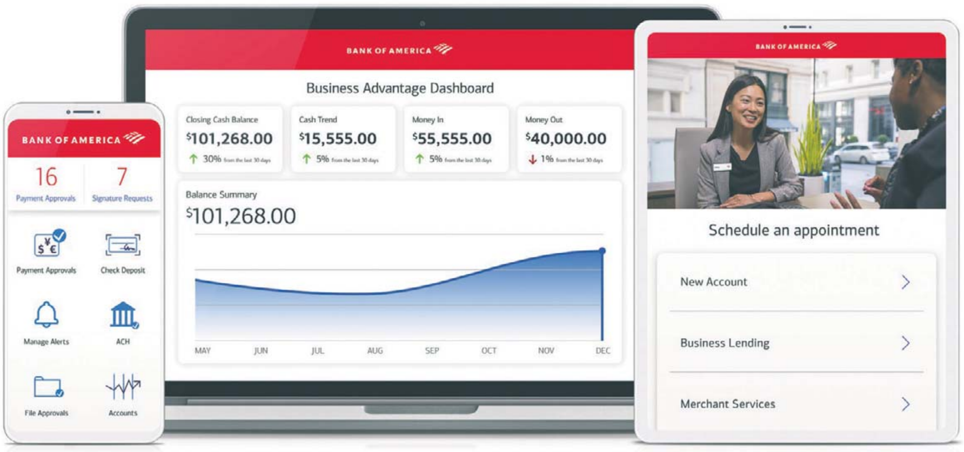

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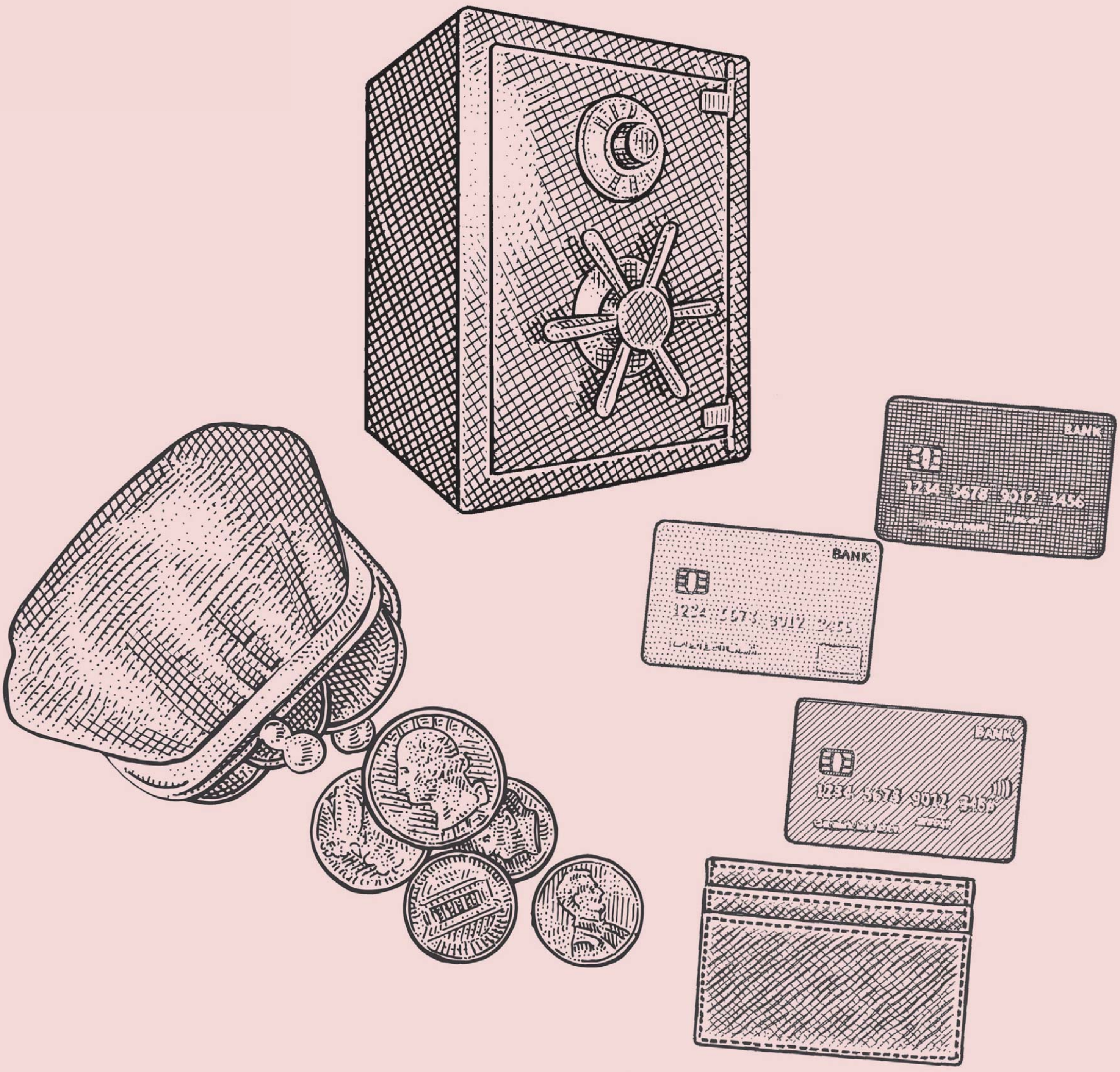

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MARKETS DIGEST

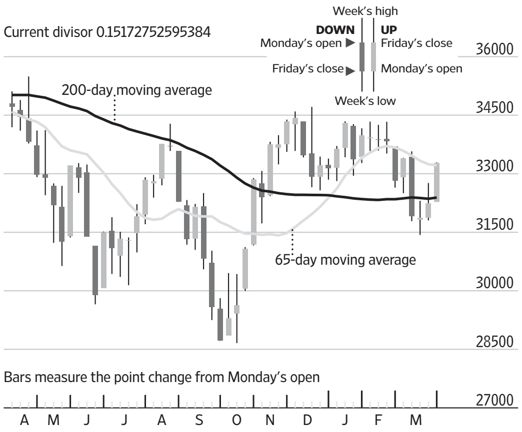
Dow Jones Industrial Average

33274.15 ▲1036.62, or 3.22% last week

High, low, open and close for each of the past 52 weeks

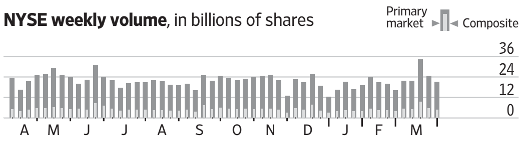
	Last	Year ago
Trailing P/E ratio	22.11	19.35
P/E estimate *	17.35	18.16
Dividend yield	2.11	2.02
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384



Bars measure the point change from Monday's open

NYSE weekly volume, in billions of shares



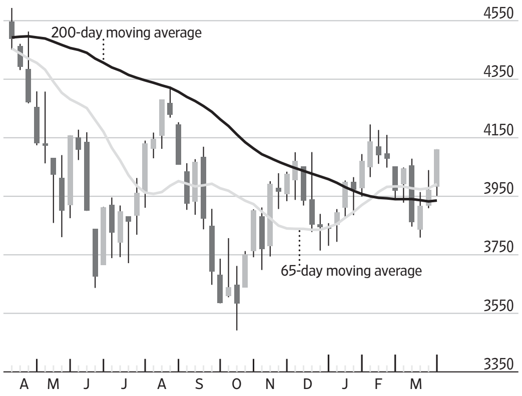
*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

4109.31 ▲138.32, or 3.48% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	18.06	25.57
P/E estimate *	18.15	20.11
Dividend yield *	1.70	1.38
All-time high	4796.56, 01/03/22	



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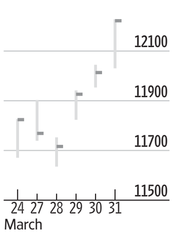
Major U.S. Stock-Market Indexes

	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	High	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	33291.00	32276.72	**33274.15**	1036.62	**3.22**	28725.51	35160.79	**-4.4**	0.4	**14.9**
Transportation Avg	14445.85	13742.81	**14438.66**	732.07	**5.34**	11999.40	15640.7	**-6.9**	7.8	**23.1**
Utility Average	939.86	909.84	**939.79**	29.12	**3.20**	838.99	1071.75	**-11.1**	-2.9	**7.5**
Total Stock Market	41146.91	39535.81	**41136.55**	1458.04	**3.67**	36056.21	46413.63	**-10.7**	6.8	**16.5**
Barron's 400	937.67	912.44	**937.47**	33.07	**3.66**	825.73	1023.82	**-7.9**	1.9	**20.7**
Nasdaq Stock Market										
Nasdaq Composite	12227.93	11635.03	**12221.91**	397.95	**3.37**	10213.29	14532.55	**-14.3**	16.8	**16.6**
Nasdaq-100	13188.83	12517.87	**13181.35**	414.30	**3.25**	10679.34	15159.58	**-11.3**	20.5	**19.0**
S&P										
500 Index	4110.75	3951.53	**4109.31**	138.32	**3.48**	3577.03	4582.64	**-9.6**	7.0	**16.7**
MidCap 400	2513.02	2404.16	**2512.16**	108.00	**4.49**	2200.75	2726.61	**-7.3**	3.4	**20.3**
SmallCap 600	1182.12	1145.13	**1182.07**	41.84	**3.67**	1064.45	1331.34	**-11.2**	2.1	**20.0**
Other Indexes										
Russell 2000	1802.70	1742.06	**1802.48**	67.56	**3.89**	1649.84	2095.44	**-13.8**	2.3	**16.1**
NYSE Composite	15377.02	14758.57	**15374.91**	616.34	**4.18**	13472.18	16829.75	**-8.4**	1.3	**14.3**
Value Line	558.71	534.34	**558.68**	24.34	**4.56**	491.56	642.64	**-12.7**	4.2	**16.4**
NYSE Arca Biotech	5309.48	5130.57	**5307.71**	176.15	**3.43**	4208.43	5644.5	**1.4**	0.5	**5.9**
NYSE Arca Pharma	841.62	819.53	**841.47**	21.94	**2.68**	737.84	887.27	**0.0**	-3.0	**13.2**
KBW Bank	83.39	79.66	**82.04**	3.65	**4.66**	78.06	122.58	**-33.1**	-18.7	**7.8**
PHLX§ Gold/Silver	132.60	124.22	**131.44**	4.41	**3.47**	91.40	167.76	**-19.5**	8.8	**18.5**
PHLX§ Oil Service	79.81	73.12	**78.85**	6.131	8.43	56.08	93.94	**-3.5**	-6.0	**47.2**
PHLX§ Semiconductor	3233.94	3015.80	**3230.86**	109.60	**3.51**	2162.32	3424.95	**-4.0**	27.6	**28.8**
Cboe Volatility	22.93	18.52	**18.70**	-3.04	-13.98	17.87	34.75	**-4.7**	-13.7	**-29.6**

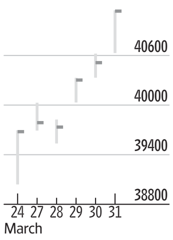
§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Nasdaq Composite
▲ 397.95, or 3.37% last week



DJ US TSM
▲ 1458.04, or 3.67% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	% chg	52-Week Range Low	High	YTD % chg
World	**MSCI ACWI**	646.76	**3.47**	550.37	718.79	6.8
	MSCI ACWI ex-USA	298.68	**3.30**	244.35	325.59	6.2
	MSCI World	2791.44	**3.67**	2367.69	3081.38	7.3
	MSCI Emerging Markets	990.28	**1.86**	842.76	1161.65	3.5
Americas	**MSCI AC Americas**	1559.77	**3.67**	1363.36	1762.89	7.0
Canada	**S&P/TSX Comp**	20099.89	**3.07**	18206.28	22085.60	3.7
Latin Amer.	**MSCI EM Latin America**	2193.97	**5.64**	1912.59	2761.97	3.1
Brazil	**BOVESPA**	101882.20	**3.09**	96120.85	121570.15	−7.2
Chile	**S&P IPSA**	3161.33	**1.15**	2937.32	3546.47	−0.4
Mexico	**S&P/BMV IPC**	53904.00	**2.15**	44626.80	56609.54	11.2
EMEA	**STOXX Europe 600**	457.84	**4.03**	382.89	465.24	7.8
	STOXX Europe 50	3941.10	**3.68**	3310.09	3947.97	7.9
Eurozone	**Euro STOXX**	457.15	**4.39**	359.45	462.77	11.5
	Euro STOXX 50	4315.05	**4.46**	3279.04	4315.05	13.7
Austria	**ATX**	3209.44	**6.11**	2647.43	3557.01	2.7
Belgium	**Bel-20**	3793.19	**4.60**	3313.82	4266.01	2.5
France	**CAC 40**	7322.39	**4.38**	5676.87	7373.21	13.1
Germany	**DAX**	15628.84	**4.49**	11975.55	15653.58	12.2
Greece	**Athex Composite**	1054.59	**3.27**	779.20	1133.11	13.4
Israel	**Tel Aviv**	1739.11	**−2.27**	1707.57	2067.23	−3.2
Italy	**FTSE MIB**	27113.95	**4.72**	20353	27949	14.4
Netherlands	**AEX**	756.18	**3.33**	630.58	771.69	9.7
Norway	**Oslo Bors All-Share**	1352.32	**4.55**	1247.07	1476.42	−0.8
Portugal	**PSI 20**	6046.61	**5.45**	5190.28	6349.21	5.6
South Africa	**FTSE/JSE All-Share**	76100.17	**1.88**	63263.94	80791.36	4.2
Spain	**IBEX 35**	9232.50	**5.00**	7261.1	9511.0	12.2
Sweden	**OMX Stockholm**	842.93	**6.14**	690.07	906.59	7.8
Switzerland	**Swiss Market**	11106.24	**4.44**	10072.62	12528.61	3.5
U.K.	**FTSE 100**	7631.74	**3.06**	6826.15	8014.31	2.4
Asia-Pacific	**MSCI AC Asia Pacific**	162.10	**1.49**	134.3	181.9	4.1
Australia	**S&P/ASX 200**	7177.80	**3.20**	6433.4	7592.8	2.0
China	**Shanghai Composite**	3272.86	**0.22**	2886.43	3409.21	5.9
Hong Kong	**Hang Seng**	20400.11	**2.43**	14687.02	22688.90	3.1
India	**S&P BSE Sensex**	58991.52	**2.55**	51360.42	63284.19	−3.0
Japan	**NIKKEI 225**	28041.48	**2.40**	25716.86	29222.77	7.5
Malaysia	**FTSE Bursa Malaysia KLCI**	1422.59	**1.63**	1373.36	1607.29	−4.9
Singapore	**Straits Times**	3258.90	**1.44**	2969.95	3445.01	0.2
South Korea	**KOSPI**	2476.86	**2.56**	2155.49	2759.20	10.8
Taiwan	**TAIEX**	15868.06	**−0.29**	12666.12	17625.59	12.2

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	**1003.67**	26.96	**2.76**	-4.29
Refinitiv/CC CRB Index	**267.73**	9.24	**3.57**	-3.61
Crude oil, $ per barrel	**75.67**	6.41	**9.25**	-5.72
Natural gas, $/MMBtu	**2.216**	-0.145	**-6.14**	-50.48
Gold, $ per troy oz.	**1969.00**	-14.80	**-0.75**	8.20
U.S. Dollar Index	**102.60**	-0.52	**-0.50**	-0.89
WSJ Dollar Index	**96.23**	-0.26	**-0.27**	-0.34
Euro, per dollar	**0.9223**	-0.007	**-0.75**	-1.29
Yen, per dollar	**132.76**	2.05	**1.57**	1.25
U.K. pound, in dollars	**1.23**	0.0102	**0.83**	1.95

	52-Week Low	High	% Chg
DJ Commodity	967.84	1251.61	**-13.96**
Refinitiv/CC CRB Index	254.03	329.59	**-8.68**
Crude oil, $ per barrel	66.74	122.11	**-23.77**
Natural gas, $/MMBtu	1.991	9.680	**-61.26**
Gold, $ per troy oz.	1623.30	1993.80	**2.60**
U.S. Dollar Index	98.63	114.10	**4.02**
WSJ Dollar Index	91.36	105.14	**5.33**
Euro, per dollar	0.9053	1.0422	**1.87**
Yen, per dollar	122.53	150.15	**8.35**
U.K. pound, in dollars	1.07	1.31	**-5.94**

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New to the Market

More on page B8

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
Week of 04/03	10/28 2022	Millennium Group International Holdings Paper-based packaging solutions supplier.	**MGIH** Nq	**1.3**	4.00/ 4.00	Revere Securities LLC, RF Lafferty & Co Inc
Week of 04/03	11/4 2022	Golden Heaven Group Holdings Amusement parks, water parks and complementary recreational facilities operator.	**GDHG** Nq	**2.0**	4.00/ 5.00	Revere Securities LLC, RF Lafferty & Co Inc
Week of 04/03	11/23 2022	Global Mofy Metaverse Technology solutions provider engaged in virtual content production, digital marketing, and digital assets development for the metaverse industry.	**GMM** Nq	**1.2**	4.50/ 5.50	Maxim Grp
Week of 04/03	12/22 2022	U Power Vehicle sourcing service provider in China, primarily focused on battery-swapping technology.	**UCAR** Nq	**2.5**	6.00/ 8.00	WestPark Capital Inc

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
April 4	July 29, '22	Mobile Global Esports Inc	**MGAM**	4.00	17.1	**–82.8**	250 days

Sources: Dealogic; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close
Hitek Global **HKIT** March 31/$5.00	5.56	**11.2**	...
Shengfeng Development **SFWL** March 31/$4.00	4.02	**0.5**	...
Chanson Intl **CHSN** March 30/$4.00	2.11	**–47.3**	–13.9
Hongli Grp **HLP** March 29/$4.00	3.47	**–13.3**	–0.9
Trailblazer Merger I **TBMCU** March 29/$10.00	10.09	**0.9**	–0.2
Jin Med Intl **ZJYL** March 28/$8.00	7.45	**–6.9**	–6.3
TMT Acquisition **TMTCU** March 28/$10.00	10.20	**2.0**	0.1
YanGuFang Intl Grp **YGF** March 28/$4.00	3.88	**–3.0**	–0.2
Oak Woods Acquisition **OAKUU** March 24/$10.00	10.20	**2.0**	0.1
CBL Intl **BANL** March 23/$4.00	9.50	**137.5**	114.9
Mangoceuticals **MGRX** March 21/$4.00	1.14	**–71.5**	–71.5
Ohmyhome **OMH** March 21/$4.00	4.27	**6.7**	6.7
Four Leaf Acquisition **FORLU** March 17/$10.00	10.25	**2.5**	0.5
ICZOOM Grp **IZM** March 15/$4.00	1.73	**–56.8**	–47.7
Atlas energy Solutions **AESI** March 9/$18.00	17.03	**–5.4**	0.5
Beamr Imaging **BMR** Feb. 28/$4.00	1.99	**–50.3**	–45.5
SilverBox III **SBXC.UT** Feb. 28/$10.00	10.08	**0.7**	0.0
Distoken Acquisition **DISTU** Feb. 15/$10.00	10.34	**3.4**	1.5
The NFT Gaming Company **NFTG** Feb. 15/$4.15	1.31	**–68.4**	–67.7
BullFrog AI **BFRG** Feb. 14/$6.50	3.39	**–47.8**	–28.8

Sources: Dow Jones Market Data; FactSet

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 1,036.63 points, or 3.22%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $31,065, or a gain of 3.55%, on the $30,000 investment, including reinvested dividends.

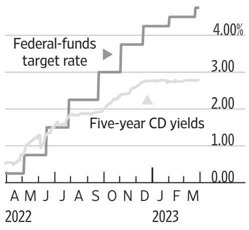
The Week's Action Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '22)
11.27	3.31	21.82	**Intel**	INTC	$32.67	**$1,252**
7.54	14.90	98.20	**Boeing**	BA	212.43	**1,115**
6.43	6.05	39.87	**Walt Disney**	DIS	100.13	**1,153**
5.87	3.04	20.04	**Dow**	DOW	54.82	**1,101**
5.75	1.88	12.39	**Walgreens**	WBA	34.58	**938**
5.45	11.83	77.97	**Caterpillar**	CAT	228.84	**960**
5.11	9.72	64.06	**salesforce.com**	CRM	199.78	**1,507**
4.65	14.54	95.83	**Goldman Sachs**	GS	327.11	**960**
4.63	5.80	38.23	**IBM**	IBM	131.09	**942**
4.55	7.10	46.79	**Chevron**	CVX	163.16	**917**
4.32	5.40	35.59	**JPMorgan Chase**	JPM	130.31	**979**
4.28	12.10	79.75	**Home Depot**	HD	295.12	**941**
3.98	5.65	37.24	**Walmart**	WMT	147.45	**1,044**
3.94	6.50	42.84	**Travelers**	TRV	171.41	**919**
3.93	3.97	26.17	**3M**	MMM	105.11	**888**
3.49	1.77	11.63	**Cisco**	CSCO	52.28	**1,106**
3.27	1.23	8.11	**Verizon**	VZ	38.89	**1,003**
3.24	5.17	34.07	**American Express**	AXP	164.95	**1,120**
3.05	8.28	54.57	**McDonald's**	MCD	279.61	**1,067**
2.90	4.65	30.65	**Apple**	AAPL	164.90	**1,271**
2.76	7.73	50.95	**Microsoft**	MSFT	288.30	**1,205**
2.00	4.42	29.13	**Visa**	V	225.46	**1,087**
1.86	1.13	7.45	**Coca-Cola**	KO	62.03	**983**
1.60	1.93	12.72	**Nike**	NKE	122.64	**1,051**
1.57	2.96	19.51	**Honeywell**	HON	191.12	**897**
1.56	3.72	24.52	**Amgen**	AMGN	241.75	**929**
1.54	2.35	15.49	**Johnson & Johnson**	JNJ	155.00	**884**
1.52	1.59	10.48	**Merck**	MRK	106.39	**965**
1.34	1.97	12.98	**Procter & Gamble**	PG	148.69	**987**
−0.71	−3.40	−22.41	**UnitedHealth Group**	UNH	472.59	**895**

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

5-year CDs

Bankrate.com avg†:	**2.78%**
Barclays Bank	**4.30%**
Wilmington, DE	888-720-8756
Quontic Bank	**4.30%**
New York, NY	(800) 908-6600
FinWise Bank	**4.32%**
Murray, UT	(801) 545-6000
First Internet Bank of Indiana	**4.49%**
Indianapolis, IN	888-873-3424
CFG Community Bank	**4.50%**
Baltimore, MD	888-205-8388

Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**4.75-5.00**	4.75-5.00	0.25	5.00	**4.75**
Prime rate*	**8.00**	8.00	3.50	8.00	**4.75**
Libor, 3-month	**5.18**	5.13	0.96	5.18	**3.74**
Money market, annual yield	**0.48**	0.48	0.07	0.48	**0.14**
Five-year CD, annual yield	**2.78**	2.78	0.49	2.79	**1.87**
30-year mortgage, fixed†	**6.93**	6.81	4.84	7.41	**3.08**
15-year mortgage, fixed†	**6.18**	6.09	4.09	6.53	**2.75**
Jumbo mortgages, $726,200-plus†	**7.01**	6.87	4.86	7.44	**3.09**
Five-year adj mortgage (ARM)†	**5.65**	5.67	3.26	5.82	**2.33**
New-car loan, 48-month	**6.76**	6.76	3.82	6.77	**2.36**

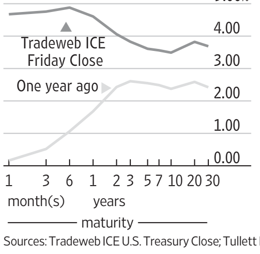
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

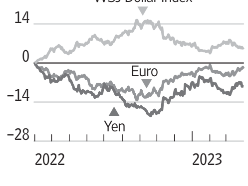
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	**3.830**	3.660				-4.51	-4.20
U.S. Treasury Long, Bloomberg	**3.770**	3.730				-16.00	-11.33
Aggregate, Bloomberg	**4.410**	4.260	n.a.	38	69	-4.80	-2.78
Fixed-Rate MBS, Bloomberg	**4.540**	4.340	n.a.	21	88	-4.88	-3.32
High Yield 100, ICE BofA	**n.a.**	8.217	n.a.	272	552	-2.173	5.224
Muni Master, ICE BofA	**2.971**	3.007	2	-17	11	0.649	0.359
EMBI Global, J.P. Morgan	**n.a.**	7.723	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0048	208.9844	**18.2**
Brazil real	.1975	5.0640	**–4.2**
Canada dollar	.7397	1.3519	**–0.3**
Chile peso	.001264	790.91	**–6.8**
Colombia peso	.000215	4650.00	**–4.10**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0555	18.0182	**–7.5**
Uruguay peso	.02577	38.8062	**–2.9**
Asia-Pacific			
Australia dollar	.6686	1.4957	**1.9**
China yuan	.1456	6.8688	**–0.4**
Hong Kong dollar	.1274	7.8491	**0.5**
India rupee	.01217	82.183	**–0.7**
Indonesia rupiah	.0000668	14969	**–3.8**
Japan yen	.007532	132.76	**1.3**
Kazakhstan tenge	.002199	454.82	**–1.7**
Macau pataca	.1236	8.0895	**0.5**
Malaysia ringgit	.2266	4.4125	**0.2**
New Zealand dollar	.6257	1.5982	**1.5**
Pakistan rupee	.00352	283.800	**25.2**
Philippines peso	.0184	54.276	**–2.5**
Singapore dollar	.7511	1.3313	**–0.7**
South Korea won	.0007654	1306.48	**3.5**
Sri Lanka rupee	.0030395	329.00	**–10.5**
Taiwan dollar	.03274	30.541	**–0.3**
Thailand baht	.02927	34.160	**–1.3**
Vietnam dong	.00004262	23465	**–0.7**
Europe			
Czech Rep. koruna	.04619	21.647	**–4.1**
Denmark krone	.1455	6.8713	**–1.1**
Euro area euro	1.0843	.9223	**–1.3**
Hungary forint	.002853	350.46	**–6.1**
Iceland krona	.007281	137.35	**–3.0**
Norway krone	.0955	10.4733	**6.8**
Poland zloty	.2317	4.3160	**–1.4**
Russia ruble	.01282	78.000	**5.8**
Sweden krona	.0963	10.3824	**–0.5**
Switzerland franc	1.0927	.9152	**–1.1**
Turkey lira	.0522	19.1411	**2.4**
Ukraine hryvnia	.0271	36.8500	**unch**
UK pound	1.2334	.8108	**–1.9**
Middle East/Africa			
Bahrain dinar	2.6515	.3772	**0.03**
Egypt pound	.0325	30.7973	**24.4**
Israel shekel	.2778	3.5994	**2.1**
Kuwait dinar	3.2599	.3068	**0.2**
Oman sul rial	2.5972	.3850	**0.01**
Qatar rial	.2746	3.641	**–0.7**
Saudi Arabia riyal	.2664	3.7535	**–0.1**
South Africa rand	.0562	17.7958	**4.5**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	96.23	0.27	0.28	**–0.34**

Sources: Tullett Prebon, Dow Jones Market Data

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, March 31, 2023

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc ADX	18.52	15.55	-16.0	-10.0
Central Secs CET	42.07	34.78	-17.3	-9.6
CohenStrsCEOppFd FOF	10.74	10.96	+2.0	-6.9
EVTxAdvDivIncm EVT	NA	22.61	NA	-16.2
GabelliDiv&IncTr GDV	24.37	20.79	-14.7	-11.1
Gabelli Equity Tr GAB	5.11	5.74	+12.3	-7.1
GeneralAmer GAM	46.66	38.91	-16.6	-5.8
JHancockTaxAdvDiv HTD	21.93	21.32	-2.8	-11.9
Liberty All-Star Equity USA	6.15	6.20	+0.8	-15.7
Liberty All-Star Growth ASG	5.46	5.28	-3.3	-24.7
Royce Micro-Cap Tr RMT	9.82	8.77	-10.7	-8.7
Royce Value Trust RVT	15.23	13.57	-10.9	-13.6
Source Capital SOR	41.44	37.79	-8.8	-4.7
Sprott Focus Trust FUND	8.65	8.10	-6.4	-5.1
SRH Total Return STEW	15.31	12.28	-19.8	-13.5
Tri-Continental TY	30.16	26.55	-12.0	-6.7
Specialized Equity Funds				
abrdn Glb Prem Prop AWP	4.28	4.12	-3.7	-29.1
abrdn Global Infra Inc ASGI	21.03	17.96	-14.6	-3.9
Adams Natural Resources PEO	25.00	20.56	-17.8	3.9
ASA Gold & Prec Met Ltd ASA	19.01	16.03	-15.7	-29.7
BR Enh C&I CII	18.10	17.93	-0.9	-3.9
BlackRock Energy & Res BGR	13.67	12.16	-11.0	8.8
BlackRock Eq Enh Div BDJ	8.56	8.59	+0.4	-2.4
BlackRock Enh Glbl Div BOE	11.41	9.93	-13.0	-5.9
BlackRock Enh Intl Div BGY	6.22	5.40	-13.2	0.9
BlackRock ESG Cap Alloc ECAT	17.24	15.61	-9.5	2.4
BlackRock Hlth Sci Tr II BMEZ	18.48	16.71	-9.6	-8.7
BlackRock Hlth Sciences BME	41.55	41.86	+0.7	-3.9
BlackRock Innov and Grow BIGZ	9.09	8.03	-11.7	-21.9
BlackRock Res & Comm BCX	10.98	9.54	-13.1	-11.0
BlackRock Sci&Tech T II BSTZ	20.34	18.69	-8.1	-29.6
BlackRock Sci&Tech Trust BST	31.59	32.34	+2.4	-19.0
BlackRock Utl Inf & Pwr BUI	22.81	23.98	+5.1	-0.6
CLEARBRIDGE ENGY MDS OPP EMO	NA	28.24	NA	5.1
CLEARBRIDGE MLP&MDSTM TR CTR	NA	28.90	NA	4.4
ClearBridge MLP & Midstm CEM	NA	32.37	NA	1.2
ChnStrInfr UTF	23.72	24.40	+2.9	-9.7
Cohen&SteersQualInc RQI	12.37	11.92	-3.6	-22.3
CohenStrs Real Est and I RLTY	15.53	13.40	-13.7	-27.0
Cohen&Steers TotRet RFI	11.66	12.12	+3.9	-14.5
CohenStrsREITPrefInc RNP	19.67	19.51	-0.8	-18.9
Columbia Sel Prm Tech Gr STK	26.03	27.83	+6.9	-2.4
DNP Select Income DNP	8.78	11.02	+25.5	0.2
Duff&Ph Uti&Infra Inc Fd DPG	NA	13.33	NA	-2.7
EtnVncEqtyInc EOI	NA	15.22	NA	-10.3
EtnVncEqtyIncoII EOS	NA	16.40	NA	-14.7
EVRskMnDvsEqInc ETJ	NA	7.95	NA	-11.4
ETnVncTxMgdBuyWrtInc ETB	NA	13.05	NA	-14.9
EtnVncTxMgdBuyWrtOpp ETV	NA	12.63	NA	-11.5
EvTxMnDvsEqInc ETY	NA	11.67	NA	-9.3
EtnVncTxMgdGlbB ETW	NA	8.08	NA	-13.0

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
EVTxMnGblDvEqInc EXG	NA	7.81	NA	-12.4
Ecofin S&S Impact Term TEAF	NA	12.97	NA	-7.9
First Trust Energy Inc G FEN	15.12	12.98	-14.2	-13.5
First Tr Enhanced Eq FFA	17.56	16.52	-5.9	-11.7
FirstTrEnergyInfra FIF	16.86	14.34	-14.9	-2.4
FirstTrMLPEner&Inc FEI	9.00	7.64	-15.1	-1.4
Gabelli Healthcare GRX	11.83	10.09	-14.7	-16.7
Gab Utility GUT	3.51	7.15	103.7	14.5
GAMCOGlGold&NatRes GGN	3.99	3.66	-8.3	-0.7
J Han Finl Opptys BTO	26.36	30.54	+15.9	-15.5
Neuberger Brmn MLP & EI NML	7.82	6.57	-16.0	6.8
Neuberger Nxt Gen Conn NBXG	12.81	10.41	-18.7	-17.3
Nuv Dow 30 Dyn Overwrite DIAX	15.87	14.68	-7.5	-5.6
NuvCorEqAlpha JCE	12.55	12.32	-1.8	-15.5
Nuveen Nasdaq 100 Dyn Ov QQQX	22.60	23.94	+5.9	-10.5
Nuv Real Est JRS	8.15	7.47	-8.3	-31.6
Nuveen Rl Asst Inc & Gro JRI	13.63	11.74	-13.9	-16.9
NuvS&P500DynOvFd SPXX	15.53	15.58	+0.3	-7.4
NuvSP500BuyIncFd BXMX	13.09	13.09	0.0	-2.0
ReavesUtilityIncome UTG	28.29	28.38	+0.3	-12.2
Tortoise Enrgy Infra Crp TYG	NA	29.40	NA	-8.7
Tortoise Midstream Enrgy NTG	NA	33.31	NA	-5.9
VDivInt&PremStr NFJ	NA	11.76	NA	-11.6
V Art Int&Tech Opps AIO	NA	17.40	NA	-12.5
Income & Preferred Stock Funds				
CalamosStratTot CSQ	NA	14.00	NA	-12.7
CohenStrsLtdDurPref&Inc LDP	19.18	17.84	-7.0	-16.1
CohenStrsSelPref&Income PSF	18.94	18.10	-4.4	-15.2
CohenStrsTaxAvPreSecs&I PTA	18.81	17.87	-5.0	-12.5
Dividend and Income DNI	16.95	NA	NA	NA
FirstTrIntDurPref&Inc FPF	17.15	15.78	-8.0	-23.2
JHanPrefInc HPI	14.93	16.00	+7.2	-9.8
JHPrefIncII HPF	14.83	15.52	+4.7	-11.5
HnckJPfdInco III HPS	13.35	14.63	+9.6	-10.8
J Han Prm PDT	12.07	12.39	+2.7	-18.1
LMP CapInco SCD	NA	12.21	NA	-9.6
Nuveen Multi-Asset Inc NMAI	13.56	11.54	-14.9	-16.9
Nuveen Pref & Inc Opp JPC	7.13	6.58	-7.7	-17.4
Nuveen Fd JPS	7.18	6.46	-10.0	-18.6
Nuveen Pref & Inc Term JPI	17.82	17.63	-1.1	-13.7
Nuveen Var Rate P&I NPFD	18.14	15.84	-12.7	-26.0
TCW Strat Income TSI	NA	4.68	NA	-2.1
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd AVK	12.49	11.56	-7.4	-18.0
CalamosConvHi CHY	NA	10.92	NA	-14.5
CalmosConvOp CHI	NA	10.52	NA	-12.3
Ellsworth G&I Fund Ltd ECF	9.61	8.11	-15.6	-19.3
V Conv & Inc NCV	NA	3.36	NA	-24.5
V Conv & Inc II NCZ	NA	3.00	NA	-22.1
V Div Inc & Conv ACV	NA	19.31	NA	-15.3
V Eqty & Conv Inc NIE	NA	19.65	NA	-11.5
World Equity Funds				
abrdn Emg Mkts Eq Inc AEF	6.05	5.36	-11.4	-15.9
abrdn Tot Dyn Div AOD	9.40	8.08	-14.0	-9.5
Allspring Gl Div Oppty EOD	NA	4.47	NA	-7.7
BlackRock Capital Alloc BCAT	16.96	15.14	-10.7	-0.6
Calamos GloDynInc CHW	NA	5.98	NA	-25.1
EV TxAdvGlbDivInc ETG	NA	16.15	NA	-15.0
EtnVncTxAdvOpp ETO	NA	22.23	NA	-20.2
FirstTr Dyn Euro Eq Inc FDEU	13.52	12.74	-5.8	6.8
Gabelli Multimedia GGT	4.21	5.64	+34.0	-24.4
GDL Fund GDL	10.06	7.85	-22.0	-3.6
Highland Global Alloc HGLB	11.78	9.04	-23.3	0.9
India Fund IFN	15.59	15.13	-3.0	-7.9
Japan Smaller Cap JOF	8.42	6.91	-17.9	-2.6
LazardGlbTotRetInc LGI	16.94	15.43	-8.9	-6.7

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
Mexico MXF	NA	17.02	NA	7.0
Miller/Howard High Inc E HIE	10.88	10.05	-7.6	-3.7
MS ChinaShrFd CAF	17.26	14.36	-16.8	-14.1
MS India IIF	23.76	19.46	-18.1	-8.7
MS CBRE Gl In Mg MEGI	NA	14.20	NA	-18.4
Templeton Dragon TDF	12.34	10.59	-14.2	-14.1
Templeton Em Mkt EMF	13.46	11.70	-13.1	-7.1

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income BKT	13.27	12.59	-5.1	8.8
Invesco HI 2023 Tgt Term IHIT	8.19	7.81	-4.6	5.5
Investment Grade Bond Funds				
Angel Oak FS Inc Trm FINS	14.34	12.33	-14.0	9.3
BlRck Core Bond BHK	11.09	10.84	-2.3	8.2
BR Credit Alloc Inc BTZ	11.33	10.29	-9.2	9.3
J Han Income JHS	12.01	10.92	-9.1	5.5
MFS Intmdt MIN	3.02	2.77	-8.3	0.0
Western Asset Inf-Lk Inc WIA	NA	8.65	NA	15.4
Western Asset Inf-Lk O&I WIW	NA	9.15	NA	11.9
Westn Asst IG Def Opp Tr IGI	NA	16.93	NA	4.8
Loan Participation Funds				
Apollo Senior Floating AFT	NA	12.63	NA	8.6
BR Debt Strategy DSU	10.60	9.51	-10.3	7.8
BR F/R Inc Str FRA	12.99	11.70	-9.9	7.2
BlackRock Floatng Rt Inc BGT	12.60	11.21	-11.0	7.2
Blackstone Strat Cr BGB	12.26	10.65	-13.1	7.9
EtnVncFltRteInc EFT	NA	11.51	NA	7.9
EV SenFlRtTr EFR	NA	11.33	NA	8.3
FT/Sr Fltg Rte Inc 2 FCT	11.15	9.95	-10.8	8.4
Highland Income HFRO	13.73	8.79	-36.0	9.6
InvDYCrOpp:AX VTA	11.07	NA	NA	NA
InvSnrIncTr VVR	4.05	3.68	-9.1	11.8
Nuveen Credit Strat Inc JQC	5.85	5.11	-12.6	9.6
NuvFloatRateIncFd JFR	9.14	8.20	-10.3	9.3
NuvFloatRteIncOppty JRO	9.03	8.02	-11.2	9.3
Nuveen Senior Income NSL	5.31	4.61	-13.2	9.5
High Yield Bond Funds				
AllianceBernGlHiIncm AWF	10.56	9.72	-8.0	8.7
Allspring Income Oppty EAD	NA	6.33	NA	10.2
Barings Glb SD HY Bd BGH	14.69	12.90	-12.2	9.3
BR Corporate HY HYT	9.34	8.72	-6.6	10.4
BlackRock Ltd Dur Inc BLW	13.59	13.11	-3.5	8.7
Brookfield Real Asst Inc RA	15.35	16.45	+7.2	13.4
CrSuisHighYld DHY	2.06	1.89	-8.3	9.8
DoubleLine Inc Sol DSL	11.92	11.37	-4.6	12.4
DoubleLine Yld Opps DLY	15.08	13.99	-7.2	9.9
First Tr Hi Inc Lng/Shrt FSD	12.72	11.35	-10.8	10.8
First Trust HY Opp:2027 FTHY	15.77	13.96	-11.5	10.8
Franklin Univ FT	7.64	7.13	-6.7	7.0
KKR Income Opportunities KIO	NA	10.98	NA	10.9
Nuveen Global High Inc JGH	12.72	11.09	-12.8	11.1
PGIM Global High Yield GHY	12.54	10.97	-12.5	10.8
PGIM High Yield Bond ISD	13.69	12.20	-10.9	10.0
PGIM Sh Dur Hi Yld Opp SDHY	17.05	14.82	-13.1	8.3
PioneerHiIncm PHT	7.60	6.63	-12.8	10.4
WstAstHIF II HIX	NA	4.86	NA	10.6
Western Asset Hi Inc Opp HIO	NA	3.81	NA	8.6
Western Asset Hi Yld D O HYI	NA	11.98	NA	9.2
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector ERC	NA	9.15	NA	10.1
Apollo Tactical Income AIF	NA	12.12	NA	9.7
Ares Dynamic Crdt Alloc ARDC	13.71	11.97	-12.7	9.5
BlackRock Mlt-Sctr Inc BIT	14.57	14.59	+0.1	9.8
BlackRock Tax Muni Bd BBN	18.04	17.92	-0.7	8.1
DoubleLine:Oppor Crdt Fd DBL	14.59	14.18	-2.8	8.9
EVLmtDurIncm EVV	NA	9.85	NA	11.7
Franklin Ltd Dur Income FTF	7.11	6.18	-13.1	11.8
J Han Investors JHI	13.76	12.69	-7.8	9.0
MFS Charter MCR	6.88	6.29	-8.6	0.0
NuvCorePlusImpact NPCT	12.04	10.22	-15.1	11.3
Nuveen Taxable Muni Inc NBB	17.04	16.12	-5.4	7.3
PIMCO Corp & Inc Oppty PTY	10.93	12.47	+14.1	11.9
PIMCO Corp & Inc Strat PCN	11.14	12.54	+12.6	11.1
PIMCOHiInco PHK	4.57	4.77	+4.4	11.4
PIMCO IncmStrFd PFL	7.85	8.13	+3.6	11.3
PIMCO IncmStrFd II PFN	6.92	7.17	+3.6	11.4
Putnam Prem Inc PPT	3.90	3.56	-8.7	8.4
Western Asset Dvsfd Inc WDI	NA	13.30	NA	10.5
World Income Funds				
abrdn AP IncFd FAX	3.16	2.66	-15.8	12.0
MS EmMktDomDebt EDD	5.37	4.52	-15.8	6.6

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
PIMCO Access Income PAXS	15.25	14.85	-2.6	13.8
PIMCO Dynamic Income PDI	17.35	18.02	+3.9	16.8
PIMCO Dynamic Inc Opp PDO	12.96	12.40	-4.3	17.9
PIMCO Stratg Inc RCS	4.40	5.32	+20.9	10.8
Templeton Em Inc TEI	5.65	5.07	-10.3	11.8
Templtn Glbl Inc GIM	4.62	4.40	-4.8	9.1
WstAstEmergDebt EMD	NA	8.59	NA	9.5
Western Asset Gl Cr D Op GDO	NA	12.70	NA	9.5
National Muni Bond Funds				
AllBerNatlMunInc AFB	12.46	10.95	-12.1	4.8
BlckRk Inv Q Mun BKN	13.20	12.07	-8.6	6.0
BlackRock Muni 2030 Tgt BTT	23.71	21.72	-8.4	3.4
BlackRock Muni BFK	11.58	10.21	-11.8	5.4
BlackRock Muni II BLE	12.01	10.73	-10.7	5.3
BlckRk Muni Inc Qly BYM	12.80	11.44	-10.6	5.4
BR MuniAssets Fd MUA	11.41	10.53	-7.7	5.3
BR MH Qly 2 MUE	11.41	10.04	-12.0	5.6
BR MuniHoldngs MHD	13.56	12.05	-11.1	5.5
BR MuniVest Fd MVF	7.87	6.92	-12.1	5.1
BR MuniVest 2 MVT	12.27	10.75	-12.4	5.2
BR MuniYield Fd MYD	12.09	10.75	-11.1	5.4
BR MuniYield Qlty MQY	13.21	11.84	-10.4	5.5
BR MuniYld Qlty2 MQT	11.72	10.37	-11.5	5.6
BR MuniYld Qly 3 MYI	12.52	11.34	-9.4	5.1
BNY Mellon Muni Bd Infra DMB	11.92	11.59	-2.8	5.3
BNY Mellon Str Muni Bond DSM	6.66	6.01	-9.8	5.7
BNY Mellon Strat Muni LEO	6.92	6.24	-9.8	5.3
Del Inv Natl Muni Income VFL	11.79	10.67	-9.5	5.1
DWS Muni Inc KTF	10.21	8.90	-12.8	4.5
EVMuniBd EIM	11.58	10.40	-10.2	4.7
EVMuniIncm EVN	11.38	10.13	-11.0	5.3
EVNatMuniOpp EOT	18.32	17.67	-3.5	4.2
InvAdvMuIncTrII VKI	9.72	8.91	-8.3	5.8
Invesco MuniOp OIA	6.36	6.64	+4.4	5.0
InvescoMuOppTr VMO	10.87	9.81	-9.8	5.6
InvescoMuTr VKQ	10.90	9.92	-9.0	5.6
InvescoQual Inc IQI	10.99	9.98	-9.2	5.5
InvTrInvGrMu VGM	11.20	9.94	-11.3	5.6
InvescoValMunInc IIM	13.46	12.20	-9.4	5.5
MAINSTAY:MK DEFTR MUN OP MMD	NA	17.38	NA	5.8
NeubrgrBrm NBH	12.01	10.95	-8.8	5.8
Nuveen AMT-Fr Mu Val NUW	15.18	13.77	-9.3	3.4
Nuveen AMT-Fr Qlty Mun I NEA	12.79	11.12	-13.1	5.3
Nuveen AMT-Fr Mu CI NVG	13.57	11.78	-13.2	5.9
Nuveen Dyn Muni Opp NDMO	11.07	10.57	-4.5	8.4
Nuveen Int Dur Mun Term NID	13.42	NA	NA	4.2
Nuveen Mu Crdt Opps NMCO	11.92	11.41	-4.3	6.4
Nuv Muni Credit Income NZF	13.61	11.95	-12.2	5.5
NuvMuniHiIncOpp NMZ	11.15	10.80	-3.1	6.7
Nuveen Muni Val NUV	9.36	8.81	-5.9	3.7
Nuveen Quality Muni Inc NAD	13.17	11.53	-12.5	5.4
Nuveen Sel TF NXP	14.57	14.31	-1.8	3.7
PIMCO MuniInc PMF	9.83	9.95	+1.2	6.1
PIMCOMuniIncII PML	9.04	9.39	+3.9	7.3
Pimco Muni III PMX	8.31	8.31	0.0	6.5
PioneerHiIncAdv MAV	9.39	8.23	-12.4	6.2
PionrMuniHiIncOppty MIO	12.53	10.92	-12.8	6.6
PioneerMunHiIcm MHI	10.20	8.89	-12.8	6.0
Putnam Mgd Inc PMM	6.54	6.13	-6.3	5.6
Putnam Muni Opp PMO	11.19	10.36	-7.4	5.5
RiverNorth Flx Mu Inc II RFMZ	NA	13.50	NA	7.9
RiverNorth Mgd Dur Mun I RMM	NA	15.07	NA	7.1
Western Asset Mgd Muni MMU	NA	10.28	NA	4.5
Single State Muni Bond				
BlackRock CA Mun BFZ	13.01	11.70	-10.1	4.2
BR MH CA Qly Fd Inc MUC	12.67	11.06	-12.7	5.4
BR MH NJ Qly MUJ	13.09	11.45	-12.5	5.9
BR MH NY Qly MHN	12.11	10.64	-12.1	5.1
BR MuniYld MI Qly MIY	12.92	11.19	-13.4	5.3
BR MuniYld NY Qly MYN	11.68	10.15	-13.1	4.9
BlackRock NY Mun BNY	11.99	10.40	-13.3	4.9
EVCAMuniBd EVM	10.42	9.02	-13.4	4.6
Eaton Vance NY Muni Bd ENX	10.81	9.72	-10.1	4.1
InvCaValMuIncTr VCV	11.23	10.17	-9.4	5.2
InvPAValMuIncTr VPV	11.74	10.04	-14.5	5.0
InvTrInvGrNYMu VTN	11.97	10.46	-12.6	4.8
Nuveen CA AMT-F Qual MI NKX	13.23	11.64	-12.0	5.1
Nuveen CA Val NCA	9.34	8.81	-5.7	3.6
NuveenCAQtyMuInc NAC	12.76	11.01	-13.7	5.2
NuvNJ Qual Muni Inc NXJ	13.79	11.71	-15.1	4.9
Nuveen NY AMT/Fr Qual MI NRK	12.09	10.57	-12.6	5.1
Nuveen NY Qual Muni Inc NAN	12.57	11.04	-12.2	5.1
Nuveen OH Qual Muni Inc NUO	14.61	12.71	-13.0	3.6
Nuveen PA Qual Muni Inc NQP	13.46	11.43	-15.1	4.4
Nuveen VA Qlty Mun Inc NPV	12.45	11.40	-8.4	4.6
PIMCO CA PCQ	10.54	10.08	-4.4	7.0
PIMCOCAMuniII PCK	6.72	6.20	-7.7	6.0

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	5.21	NA	NA	-15.4
Specialized Equity Funds				
ArrowMark Financial Corp BANX	NA	18.00	NA	NA
CBRE GlbRlEst IGR	6.35	5.31	-16.4	-27.3
First Tr Real Assets;I	NA	NA	NA	NS
Forum RE Income;I	9.19	NA	NA	NS
NexPointRlEstStrat;A	19.62	NA	NA	-7.7
NexPointRlEstStrat;C	19.85	NA	NA	-8.4
NexPointRlEstStrat;Z	19.86	NA	NA	-7.4
PIMCO Flexible REI;Inst	10.13	NA	NA	NS
PREDEX;I	28.99	NA	NA	-2.2
PREDEX;T	29.17	NA	NA	-2.4
PREDEX;W	29.17	NA	NA	-2.4
Principal Dvs Sel RA A	25.20	NA	NA	-3.0
Principal Dvs Sel RA Ins	25.28	NA	NA	-2.7
Principal Dvs Sel RA Y	25.49	NA	NA	-2.5
SS Priv Venture & Gr:D	NA	NA	NA	NS
SS Priv Venture & Gr:I	NA	NA	NA	NS
SS Priv Venture & Gr:S	NA	NA	NA	NS
SS Priv Venture & Gr;T	NA	NA	NA	NS
The Private Shares;A	40.94	NA	NA	-5.2
The Private Shares;I	41.53	NA	NA	-5.0
The Private Shares;L	40.39	NA	NA	-5.4
USQ Core Real Estate:I	27.78	NA	NA	-3.0
USQ Core Real Estate:IS	27.83	NA	NA	-3.0
Versus Cap MMgr RE Inc:I	28.28	NA	NA	NE
Versus Capital Real Asst	27.51	NA	NA	2.1
Wildermuth:A	11.95	NA	NA	-9.2
Wildermuth:C	11.26	NA	NA	-9.96
Wildermuth:I	12.10	NA	NA	-9.0
Income & Preferred Stock Funds				
Alpha Alternative Assets	6.49	NA	NA	-5.8
Calamos L/S Eqty and DI CPZ	NA	15.45	NA	NA
Carlyle AlpInv Pvt Mkt:I	NA	NA	NA	NS
Constitution Cap Acs A	NA	NA	NA	NS
Constitution Cap Acs D	NA	NA	NA	NS
Flat Rock Opportunity	18.68	NA	NA	-1.6
Lord Abbett Spec Sit I:A	8.92	NA	NA	-3.4
Lord Abbett Spec Sit I:I	8.93	NA	NA	-2.6
Variant Altrntv Inc:Inst	28.75	NA	NA	8.7
Variant Impact;Instl	26.75	NA	NA	12.1
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc CCD	NA	21.30	NA	NA
World Equity Funds				
ACAP Strategic:A	16.26	NA	NA	-14.0
ACAP Strategic:W	12.12	NA	NA	-13.3
CalamosGlbTotRet CGO	NA	9.40	NA	NA
Cantor Fitzgerald SI:A	10.42	NA	NA	NS
Cantor Fitzgerald SI:C	10.40	NA	NA	NS
Cantor Fitzgerald SI:I	10.40	NA	NA	NS
Sweater Cashmere	20.62	NA	NA	NS
Thornburg Inc Bldr Opps TBLD.O	17.39	15.61	-10.2	-1.8
VirtusTotalRetFd ZTR	NA	6.48	NA	NA

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	NE
Ellington Inc Opp:A	8.36	NA	NA	6.6
Ellington Inc Opp:M	8.25	NA	NA	7.2
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	6.3
1WS Credit Income;Inst	NA	NA	NA	6.2
AlphCntrc Prime Merid In	8.30	NA	NA	14.7
Axonic Alternative Inc	NA	NA	NA	9.5
Blackstone FR EI D	NA	NA	NA	7.7
Blackstone FR EI I	NA	NA	NA	8.0
Blackstone FR EI T	NA	NA	NA	7.5
Blackstone FR EI T-I	NA	NA	NA	7.5
Blackstone FR EI U	NA	NA	NA	7.5
Bluerock HI Inst Crd:A	NA	NA	NA	NS
Bluerock HI Inst Crd:C	NA	NA	NA	NS
Bluerock HI Inst Crd:F	NA	NA	NA	NS
Bluerock HI Inst Crd:I	NA	NA	NA	NS
BNYM Alcntr Glb MS Cr Fd	84.47	NA	NA	8.0
CliffwaterClFd;I	NA	NA	NA	7.9
CliffwaterElFd;A	NA	NA	NA	9.2
CNR Strategic Credit	7.33	NA	NA	20.2
Eagle Point Instl Income	NA	NA	NA	NS
Equalize Community Dev	9.44	NA	NA	3.1
FedProj&TrFinanceTendr	9.87	NA	NA	5.6
Flat Rock Core Income	NA	NA	NA	6.7
InvDYCrOpp:A	11.07	NA	NA	8.2
InvDYCrOpp:R6	11.07	NA	NA	8.6
InvDYCrOpp:Y	11.07	NA	NA	8.5
Invesco Sr Loan A	5.78	NA	NA	9.2
Invesco Sr Loan C	5.80	NA	NA	8.4
Invesco Sr Loan IB	5.78	NA	NA	9.5
Invesco Sr Loan IC	5.78	NA	NA	9.3
Invesco Sr Loan Y	5.78	NA	NA	9.5
Lord Abbett FR Hi Inc:A	9.95	NA	NA	NS

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
Lord Abbett FR Hi Inc:I	9.95	NA	NA	NS
Monachil Credit Income:I	NA	NA	NA	NS
OFS Credit Company OCCI	NA	9.20	NA	NA
Yieldstreet Prism	NA	NA	NA	8.7
High Yield Bond Funds				
Apollo Diversified Cd:A	NA	NA	NA	7.3
Apollo Diversified Cd:C	NA	NA	NA	7.2
Apollo Diversified Cd:F	NA	NA	NA	8.5
Apollo Diversified Cd:I	NA	NA	NA	7.4
Apollo Diversified Cd:L	NA	NA	NA	7.3
Apollo Diversified Cd:M	NA	NA	NA	7.2
Opprtnstc Crdt Intrvl;I	NA	NA	NA	NS
Peak Income Plus	10.00	NA	NA	NS
PIMCO Flexible Cr I;A-1	NA	NA	NA	15.3
PIMCO Flexible Cr I;A-2	NA	NA	NA	15.3
PIMCO Flexible Cr I;A-3	NA	NA	NA	15.0
PIMCO Flexible Cr I;A-4	NA	NA	NA	15.0
PIMCO Flexible Cr I;Inst	NA	NA	NA	15.8
Other Domestic Taxable Bond Funds				
AFA MMC;Inst	NA	NA	NA	9.3
AFA MMC;Inv	NA	NA	NA	9.3
Alternative Credit Inc:A	NA	NA	NA	6.9
Alternative Credit Inc:C	NA	NA	NA	6.1
Alternative Credit Inc:I	NA	NA	NA	7.2
Alternative Credit Inc:L	NA	NA	NA	6.7
Alternative Credit Inc:W	NA	NA	NA	6.9
Angel Oak Str Crdt:FI	20.54	NA	NA	NS
Angel Oak Str Crdt:Inst	20.53	NA	NA	8.5
BR Credit Strat;A	8.63	NA	NA	6.6
BR Credit Strat;Inst	8.61	NA	NA	7.5
BR Credit Strat;U	8.63	NA	NA	6.6
BR Credit Strat;W	8.63	NA	NA	6.6
BlackRock Mlt-Sctr Oppty	65.71	NA	NA	8.9
BlackRock Mlt-Sec Opp II	68.09	NA	NA	8.8
CION Ares Dvsfd Crdt;A	NA	NA	NA	6.0
CION Ares Dvsfd Crdt;C	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;I	NA	NA	NA	6.2
CION Ares Dvsfd Crdt;L	NA	NA	NA	6.0
CION Ares Dvsfd Crdt;U	NA	NA	NA	5.8
CION Ares Dvsfd Crdt:U2	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;W	NA	NA	NA	6.0
CNR Select Strategies	12.49	NA	NA	0.0
First Eagle Crdt Opps A	NA	NA	NA	8.1
First Eagle Crdt Opps A2	NA	NA	NA	NS
First Eagle Crdt Opps I	NA	NA	NA	8.6
First Trust Private Cr;I	10.07	NA	NA	NS
Franklin BSP Pvt Cr:A	10.12	NA	NA	NS
Franklin BSP Pvt Cr:Adv	10.12	NA	NA	NS
FS Credit Income;A	NA	NA	NA	6.0
FS Credit Income;I	NA	NA	NA	6.2
FS Credit Income;T	NA	NA	NA	5.7
FS Credit Income;U	NA	NA	NA	5.5
FS Credit Income;U-2	NA	NA	NA	6.1
FS Credit Opportunities	NA	NA	NA	0.0
GL Beyond Income	0.43	NA	NA	NE
KKR CREDIT OPPTY;D	NA	NA	NA	8.8
KKR CREDIT OPPTY;I	NA	NA	NA	9.0
KKR CREDIT OPPTY;T	NA	NA	NA	8.2
KKR CREDIT OPPTY;U	NA	NA	NA	8.2
Palmer Square Opp Inc	NA	NA	NA	7.2
The Finite Solar Finance	NA	NA	NA	0.2
Thrivent Church Ln&Inc:S	9.21	NA	NA	3.4
World Income Funds				
BlueBay Destra Itl E:A	22.80	NA	NA	17.6
BlueBay Destra Itl E:I	22.82	NA	NA	17.9
BlueBay Destra Itl E:L	22.79	NA	NA	17.4
BlueBay Destra Itl E:T	22.70	NA	NA	17.3
Carlyle Tact Pvt Cred:A	NA	NA	NA	8.4
Carlyle Tact Pvt Cred:I	NA	NA	NA	8.9
Carlyle Tact Pvt Cred:L	NA	NA	NA	8.3
Carlyle Tact Pvt Cred:M	NA	NA	NA	8.1
Carlyle Tact Pvt Cred:N	NA	NA	NA	9.0
Carlyle Tact Pvt Cred:U	NA	NA	NA	NS
Carlyle Tact Pvt Cred:Y	NA	NA	NA	8.7
Lord Abbett Cred Opps Fd	8.87	NA	NA	7.8
Lord Abbett Cred Opps Fd	8.87	NA	NA	8.6
Lord Abbett Crd Op:U	8.88	NA	NA	7.8
Oaktree Dvsfd Income;D	8.74	NA	NA	7.3
PIMCO Flexible EM I;Inst	8.21	NA	NA	NS
National Muni Bond Funds				
Ecofin Tax-Exempt Prv Cr	8.91	NA	NA	5.1
Lind Cap Pt Mun Cred Inc	8.79	NA	NA	4.6
Nuveen En HY Muni Bd:A1	7.25	NA	NA	5.2
Nuveen En HY Muni Bd:A2	7.26	NA	NA	NS
Nuveen En HY Muni Bd:I	7.25	NA	NA	6.0
PIMCO Flex Mun Inc;A-3	9.89	NA	NA	3.2
PIMCO Flex Mun Inc:A1	9.89	NA	NA	3.4
PIMCO Flex Mun Inc;A2	9.89	NA	NA	3.4
PIMCO Flex Mun Inc;Inst	9.89	NA	NA	3.9
Single State Muni Bond				
PIMCO CA FMI;A-1	9.99	NA	NA	NS
PIMCO CA FMI;Inst	9.99	NA	NA	NS

New to the Market

Public and Private Borrowing

Treasurys

Monday, April 3

Auction of 13 and 26 week bills;
announced on March 30; settles on April 6

Thursday, April 6

Auction of 4 and 8 week bills;
announced on April 4; settles on April 11

Wednesday, April 5

Auction of 17 week bill;
announced on April 4; settles on April 11

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on March 31, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Mar. 24-28	**Southwest Gas Holdings**	**SWX**	C. Icahn	BI	308	60.15-61.00	**18,545**	62.45	0.9
Mar. 29	**Kohl's**	**KSS**	T. Kingsbury	CEO	93	21.82	**2,018**	23.54	-6.8
Mar. 29	**Inozyme Pharma**	**INZY**	R. Hopfner	DI	345	4.54	**1,564**	5.73	445.7
Mar. 27-28			R. Hopfner	DI	208	3.70-4.16	**841**		
Mar. 23	**U-Haul Holding**	**UHAL**	M. Shoen	BI	25	56.41	**1,405**	59.65	-0.9
Mar. 23			E. Shoen	PI	25	56.41	**1,405**		
Mar. 28	**Calavo Growers**	**CVGW**	L. Cole	CEO	50	27.96	**1,398**	28.77	-2.1
Mar. 17-23	**Paratek Pharmaceuticals**	**PRTK**	J. Dondero	BI	789	1.40-1.77	**1,282**	2.54	35.8
Mar. 24	**Stifel Financial**	**SF**	J. Zemlyak	P	20	56.06	**1,121**	59.09	1.2
Mar. 23	**RE/MAX Holdings**	**RMAX**	A. Peterson	BI	64	17.34	**1,106**	18.76	0.6
Mar. 24	**United Natural Foods**	**UNFI**	J. Douglas	CEO	45	22.22	**1,004**	26.35	-31.9
Mar. 24	**Dollar General**	**DG**	T. Mcguire	D	4	201.90-202.10	**717**	210.46	-14.5
Mar. 28	**Petco Health & Wellness**	**WOOF**	R. Coughlin	CEO	61	8.27	**505**	9.00	-5.1
Mar. 28-30	**AstroNova**	**ALOT**	A. Michas	DI	37	12.90-13.45	**477**	14.01	9.2
Mar. 22-24	**BRT Apartments**	**BRT**	M. Gould	ODI	21	18.41-18.75	**394**	19.72	0.4
Mar. 23-24			J. Gould	CEOI	21	18.41-18.75	**394**		
Mar. 23	**Purple Innovation**	**PRPL**	E. Haynor	CO	139	2.75	**381**	2.64	-44.9
Mar. 22-23	**SecureWorks**	**SCWX**	N. Gagnon	BI	45	8.13-8.19	**366**	8.57	34.1
Sellers									
Mar. 29-30	**Walmart**	**WMT**	S. Walton	DOI	3,412	144.06-146.25	**493,931**	147.45	4.00
Mar. 29-30			A. Walton	BI	3,412	144.06-146.25	**493,931**		
Mar. 29-30			J. Walton	BI	3,412	144.06-146.25	**493,931**		
Mar. 27-28			S. Walton	DOI	3,107	143.48-144.88	**447,394**		
Mar. 27-28			A. Walton	BI	3,107	143.48-144.88	**447,394**		
Mar. 27-28			J. Walton	BI	3,107	143.48-144.88	**447,394**		
Mar. 23-24			S. Walton	DOI	2,017	140.61-142.06	**285,424**		
Mar. 23-24			A. Walton	BI	2,017	140.61-142.06	**285,424**		
Mar. 23-24			J. Walton	BI	2,017	140.61-142.06	**285,424**		
Mar. 22	**Apple**	**AAPL**	J. Williams	CO	188	159.76	**29,992**	164.90	26.9
Mar. 27	**Trade Desk**	**TTD**	D. Pickles	CT	477	60.00-61.41	**28,950**	60.91	35.9
Mar. 27-28	**Axon Enterprise**	**AXON**	P. Smith	CEO	73	215.40-220.14	**15,906**	224.85	35.5
Mar. 28	**Darden Restaurants**	**DRI**	E. Lee	CB	79	153.69-154.30	**12,148**	155.16	12.2
Mar. 22-23	**Moderna**	**MRNA**	S. Bancel	CEO	80	147.71-152.55	**11,977**	153.58	-14.5
Mar. 22	**Snowflake**	**SNOW**	B. Dageville	OD	58	142.00	**8,231**	154.29	7.5
Mar. 24	**J.M. Smucker**	**SJM**	R. Smucker	D	51	154.27	**7,925**	157.37	-0.7
Mar. 24	**Elevance Health**	**ELV**	G. Mccarthy	O	15	440.78-446.06	**6,715**	459.81	-10.4
Mar. 29	**AutoZone**	**AZO**	W. Hackney	O	3	2394.45	**6,522**	2458.15	-0.3

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	147,708	740,554	**Finance**	6,091,370	42,405,470
Capital Goods	172,390	36,365,045	**Health care**	6,661,245	62,479,672
Consumer durables	700,708	4,804,892	**Public Utilities**	120,250	351,634
Consumer non-durables	0	10,674,900	**Technology**	794,017	124,005,199
Consumer services	4,538,538	62,235,753	**Transportation**	2,862,745	2,808,479
Energy	823,136	3,541,334			

Sources: Refinitiv; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

March 31, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Feb. index level	Chg From (%) Jan. '23	Feb. '22
U.S. consumer price index			
All items	**300.840**	0.56	6.0
Core	**304.011**	0.68	5.5

International rates

	Latest	Week ago	52-Week High	Low
Prime rates				
U.S.	**8.00**	8.00	8.00	3.50
Canada	**6.70**	6.70	6.70	2.70
Japan	**1.475**	1.475	1.475	1.475
Policy Rates				
Euro zone	**3.50**	3.50	3.50	0.00
Switzerland	**2.00**	2.00	2.00	0.00
Britain	**4.25**	4.25	4.25	0.75
Australia	**3.60**	3.60	3.60	0.10
Overnight repurchase				
U.S.	**4.88**	4.85	4.90	0.25

U.S. government rates

	Latest	Week ago	52-WEEK High	Low
Discount				
	5.00	5.00	5.00	0.50
Federal funds				
Effective rate	**4.8500**	4.8500	4.8500	0.3300
High	**5.1600**	5.1600	5.1800	0.3400
Low	**4.8100**	4.8500	4.8500	0.3000
Bid	**4.8300**	4.8200	4.8300	0.3100
Offer	**4.8500**	4.8700	4.8700	0.3300
Treasury bill auction				
4 weeks	**4.600**	4.150	4.640	0.135
13 weeks	**4.675**	4.675	4.765	0.605
26 weeks	**4.650**	4.620	4.970	1.050
Secondary market				
Fannie Mae				
30-year mortgage yields				
30 days	**5.844**	5.511	6.812	4.117
60 days	**5.854**	5.520	6.988	4.192

Other short-term rates

	Latest	Week ago	52-Week high	low
Call money				
	6.75	6.75	6.75	2.25
Commercial paper (AA financial)				
90 days	**5.05**	4.98	5.05	0.61
Libor				
One month	**4.85771**	4.83057	4.85871	0.42857
Three month	**5.19271**	5.10143	5.19271	0.96200
Six month	**5.31300**	4.98729	5.49986	1.47486
One year	**5.30529**	4.80886	5.88071	2.17157
Secured Overnight Financing Rate				
	4.82	4.80	4.84	0.26

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	**4.916**	16.280	4.916	0.239
MBS	**4.945**	34.490	4.960	0.294

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 23, 2023. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective March 23, 2023. **Secured Overnight Financing Rate** is as of March 30, 2023. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet;
Tullett Prebon Information, Ltd.

Cash Prices | wsj.com/market-data/commodities

Friday, March 31, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	**88.800**
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	**14.950**
Metals	
Gold, per troy oz	
Engelhard industrial	**1982.00**
Handy & Harman base	**1979.70**
Handy & Harman fabricated	**2197.47**
LBMA Gold Price AM	***1968.10**
LBMA Gold Price PM	***1965.80**
Krugerrand,wholesale-e	**2057.29**
Maple Leaf-e	**2106.51**
American Eagle-e	**2106.51**
Mexican peso-e	**2539.82**
Austria crown-e	**1932.72**
Austria phil-e	**2067.14**
Silver, troy oz.	
Engelhard industrial	**24.2000**
Handy & Harman base	**24.1610**
Handy & Harman fabricated	**30.2010**
LBMA spot price	***£19.2100**
(U.S.$ equivalent)	***23.7100**
Coins,wholesale $1,000 face-a	**21522**
Other metals	
LBMA Platinum Price PM	***977.0**
Platinum,Engelhard industrial	**987.0**
Palladium,Engelhard industrial	**1505.0**
Aluminum, LME, $ per metric ton	***2344.0**
Copper,Comex spot	**4.1045**
Iron Ore, 62% Fe CFR China-s	**127.3**
Shredded Scrap, US Midwest-s,m	**n.a.**
Steel, HRC USA, FOB Midwest Mill-s	**1160**
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	**41975**
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	**55100**
BMI Cobalt sulphate, EXW China, >20.5% -v,m	**6004**
BMI Nickel Sulphate, EXW China, >22%-v,m	**5402**
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	**745**
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	**0.7175**
Cotton,1 1/16 std lw-mdMphs-u	**0.8203**
Cotlook 'A' Index-t	***96.70**
Hides,hvy native steers piece fob-u	**n.a.**
Wool,64s,staple,Terr del-u,w	**n.a.**
Grains and Feeds	
Barley,top-quality Mnpls-u	**n.a.**
Bran,wheat middlings, KC-u,w	**145**
Corn,No. 2 yellow,Cent IL-bp,u	**6.5700**
Corn gluten feed,Midwest-u,w	**199.2**
Corn gluten meal,Midwest-u,w	**620.1**
Cottonseed meal-u,w	**368**
Hominy feed,Cent IL-u,w	**212**
Meat-bonemeal,50% pro Mnpls-u,w	**443**
Oats,No.2 milling,Mnpls-u	**3.8425**
Rice, Long Grain Milled, No. 2 AR-u,w	**37.50**
Sorghum,(Milo) No.2 Gulf-u	**n.a.**
SoybeanMeal,Cent IL,rail,ton48%-u,w	**476.00**
Soybeans,No.1 yllw IL-bp,u	**15.0200**
Wheat,Spring14%-pro Mnpls-u	**10.8575**
Wheat,No.2 soft red,St.Louis-u	**6.8975**
Wheat - Hard - KC (USDA) $ per bu-u	**9.2775**
Wheat,No.1soft white,Portld,OR-u	**7.6250**
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	**261.70**
select 1-3,600-900 lbs.-u	**248.84**
Broilers, National comp wtd. avg.-u,w	**1.3540**
Butter,AA Chicago-d	**2.3975**
Cheddar cheese,bbl,Chicago-d	**180.75**
Cheddar cheese,blk,Chicago-d	**185.00**
Milk,Nonfat dry,Chicago lb.-d	**116.00**
Coffee,Brazilian,Comp-y	**1.7879**
Coffee,Colombian, NY-y	**2.1634**
Eggs,large white,Chicago-u	**3.3750**
Flour,hard winter KC-p	**23.55**
Hams,17-20 lbs,Mid-US fob-u	**0.72**
Hogs,Iowa-So. Minnesota-u	**75.03**
Pork bellies,12-14 lb MidUS-u	**1.0459**
Pork loins,13-19 lb MidUS-u	**0.9344**
Steers,Tex.-Okla. Choice-u	**165.92**
Steers,feeder,Okla. City-u,w	**228.00**
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	**n.a.**
Grease,choice white,Chicago-h	**0.4850**
Lard,Chicago-u	**n.a.**
Soybean oil,crude;Centl IL-u,w	**0.5774**
Tallow,bleach;Chicago-h	**0.5100**
Tallow,edible,Chicago-u	**n.a.**

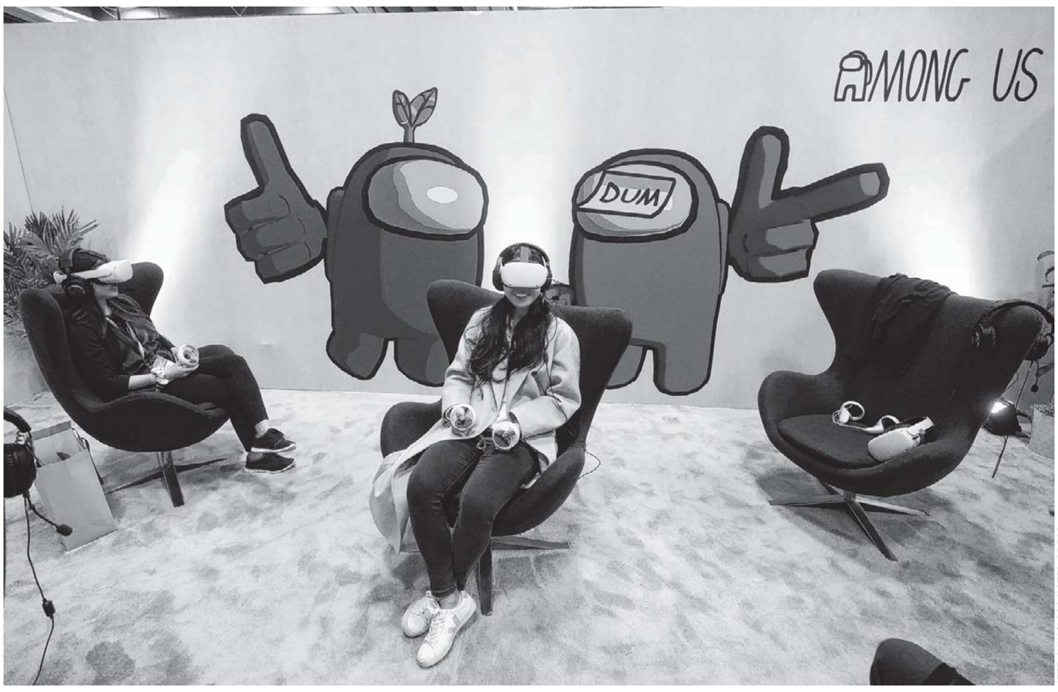
KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 3/30

Source: Dow Jones Market Data

Tech, Money-Market Funds Are Havens

After wild quarter, the path of rates will determine the outlook for both markets

By Vicky Ge Huang



JEFF CHIU/ASSOCIATED PRESS

Facebook parent Meta Platforms is among tech-sector stocks that have surged and are leading the market's advance.

The first quarter in markets was one for the record books.

At the start of the year, investors unexpectedly moved back into the speculative stocks that were hammered in 2022 when the Federal Reserve started raising interest rates. The period ended with a mad dash out of the banking system that few could have foreseen just weeks earlier.

All the while, the S&P 500 continued climbing, rising 7% for the quarter.

Two of the biggest winners of the period? Technology shares and money-market funds. Both emerged as havens following the abrupt collapse of Silicon Valley Bank.

"When you look at history, most of the strongest market returns on the upside and downside happened in very short periods of time," said Saira Malik, chief investment officer at Nuveen, who said her top sector pick is technology, especially software and semiconductor companies.

Tech stocks initially soared on hopes that the Fed is nearing the end of its interest-rate campaign and continued climbing during March's bank stock selloff. The sector took a beating last year because higher rates dim the appeal of growth companies that have the potential for generating windfall profits many years in the future.

Nvidia Corp., Facebook parent **Meta Platforms** Inc. and **Tesla** Inc. all surged more than 68% in the first three months of the year to lead the market's advance.

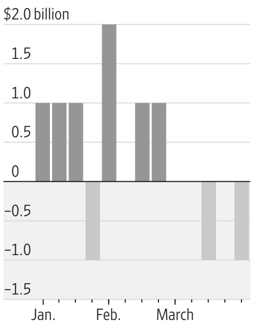
The tech-focused Nasdaq Composite Index rose 17%, outperforming the Dow Jones Industrial Average—which is largely populated by old-economy stocks—by the widest margin since 2001. Other risky bets such as bitcoin climbed as well.

Money-market funds enjoyed a similar renaissance—and like tech shares, they are largely a play on rates. The average yield on money-market funds is currently 4.6%, according to Crane Data, the highest since before the 2008 financial crisis and up from 0.02% at the start of 2022.

"When you consider that we've spent much of the last 14 years in zero interest rate policy…it's just a very attractive place to park cash," said Nafis Smith, head of Vanguard's taxable money markets group, which oversees more than $455 billion in money-market fund assets.

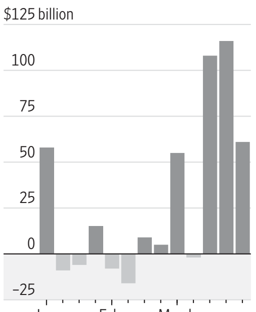
The turmoil in the banking sector initially sparked a deposit flight from smaller banks to the largest U.S. banks. But the unrest made some customers uneasy about holding balances in the commercial banking system above the $250,000 insured by the Federal Deposit Insurance Corp.

Weekly net flows into U.S. mutual funds and ETFs that buy dividend-paying stocks



Source: Refinitiv Lipper

Weekly net flows into U.S. money market funds



Money-market funds offered an attractive alternative and are often considered a proxy for cash because they invest in highly liquid debt securities.

Investors have added a net $336 billion to U.S. money-market funds this year, including $283 billion in March alone, the highest monthly sum since April 2020, according to Refinitiv Lipper data through Wednesday. That marks a shift from last year when the funds suffered nearly $46 billion in outflows.

Of course, money-market funds would lose some of their allure if the Fed begins cutting interest rates later this year, as traders in the derivatives market are predicting.

Last week, the central bank raised rates by another quarter percentage point, bringing the benchmark federal-funds rate to 4.75% to 5%, the highest level since September 2007. The Fed also signaled the banking-system turmoil might end its rate-rise campaign sooner than expected.

Because the Fed needs to keep rates high to get inflation under control, yields on money-market funds will remain elevated for at least the next several months, says Torsten Slok, chief economist of Apollo Global Management.

But "let's be totally clear, this will all blow over at some point," he said. "For risk-willing investors, there are a lot of things that are a lot cheaper today than where they were six or 12 months ago."

The S&P 500 is trading at 17.9 times its expected earnings over the next 12 months, down from 21.6 times earnings at the start of 2022. That is still slightly above its 10-year average of 17.3, according to FactSet data.

Some analysts point to dividend-paying stocks—a popular haven last year—as among the biggest losers in the event the Fed pauses its interest-rate campaign. They predict equity investors instead will continue piling back into tech stocks.

By one metric, investors are pulling money from funds that track dividend-paying stocks at the fastest pace since June 2018, according to Refinitiv Lipper. Part of the reason dividend-paying stocks aren't as appealing? The dividend yield on the S&P 500 is 1.6%, and just 47 stocks in the index have a yield above the 4.6% average on money-market funds, according to Dow Jones Market Data.

The S&P 500 High Dividend Index—made up of the S&P 500's top 80 dividend-paying companies—has fallen 3% including dividends this year, underperforming the broader market.

Tim Pagliara, chief investment officer at CapWealth, which manages $1.4 billion in assets, said the firm has allocated about 18% of client assets to short-term Treasurys but remains invested in high dividend payers and value stocks. His reason for staying the course is inflation, which has eased but is still elevated.

"For people that put everything into cash, they'll pay a price for that long term because they will fall behind inflation," Mr. Pagliara said. "You have to have your money invested in assets that will survive and prosper during inflationary times."

THE TICKER | MARKET EVENTS COMING THIS WEEK

GABBY JONES/BLOOMBERG NEWS

Constellation Brands is expected to report per-share earnings of $1.84 on Thursday.

Monday

Construction spending

Jan., previous	down 0.1%
Feb., expected	up 0.0%

ISM manufacturing index

Feb., previous	47.7
Mar., expected	47.3

Earnings expected (Estimate/Year Ago)

Science Applications International	1.66/1.50
Targa Resources	1.37/0.06

Tuesday

Factory orders

Jan., previous	down 1.6%
Feb., expected	down 0.5%

Earnings expected (Estimate/Year Ago)

Acuity Brands	2.73/2.57
DLocal Ltd.	0.11/0.08

Wednesday

EIA status report (Previous change in stocks in millions of barrels)

Crude-oil stocks	down 7.5
Gasoline stocks	down 2.9
Distillates	up 0.3

Mortgage bankers indexes

Purch., previous	up 2.0%
Refinan., prev.	up 5.0%

Int'l trade deficit in billions

Jan., previous	$68.29 bil.
Feb., expected	$69.10 bil.

Earnings expected (Estimate/Year Ago)

Conagra Brands	0.64/0.58

Thursday

EIA report: natural-gas (Previous change in stocks in billions of cubic feet)

	down 47

Initial jobless claims

Previous	198,000
Expected	200,000

Earnings expected (Estimate/Year Ago)

Constellation Brands	1.84/2.37
RPM International	0.31/0.38

Friday

U.S. Bond market closes early, at 12 p.m. ET and Stock market closed for Good Friday

Nonfarm payrolls

Feb., previous	311,000
Mar., expected	235,000

Unemployment rate

Feb., previous	3.60%
Mar., expected	3.60%

Consumer Credit

Jan., previous	up $14.8 bil.
Feb., expected	n.a.

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

SVB Crisis Snarls Junk Debt Move

Continued from page B1

debt, The Wall Street Journal reported in October.

The implosion of Silicon Valley Bank after it was forced to sell bonds at a loss has made large banks even less willing to stomach such losses, bankers said—though nobody suggests doing so would put them at risk of a similar fate.

The inability of banks to get the paper off their books without incurring large losses has crimped their willingness to make new buyout loans, taking a large bite out of a source of Wall Street profits.

As of March 31, private-equity firms announced some $50 billion of leveraged buyouts in the U.S., down sharply from about $86 billion in the same period last year, according to Dealogic.

"It is reasonable to assume that any number of the underwriting firms might slow down new origination until the inventory moves through," said Greg Hertrich, head of U.S. depository strategies at Nomura Securities International Inc. "But as most of these institutions have plenty of capital and liquidity, it would seem less likely that banks would be forced sellers."

Before the recent turmoil, banks were having some luck selling off hung debt, including that of **Roper Technologies** Inc. and **Nielsen Holdings** PLC. Lenders committed to back a number of sizable new transactions, including the $12.5 billion buyout of **Qualtrics International** Inc., which nevertheless contained a relatively small debt component.

JPMorgan Chase & Co. led a group of nine lenders that provided more than $4 billion of debt for the purchase of **Univar Solutions** Inc. by **Apollo Global Management** Inc. in the biggest such commitment from banks in recent months.

But the momentum has stalled and is pushing borrowers who need to raise funds to turn to private, nonbank lenders, which raise dedicated pools of capital to help finance deals.

"The situation at the banks meant that a bunch of our deals went pencils down," said Jeffrey Ross, chair of the finance group at Debevoise & Plimpton LLP.

Banks are optimistic that will change soon, barring further turmoil. Some $4 billion of debt that helped finance the purchase of **Citrix Systems** Inc. last year and has been hung for roughly six months, is set to be sold soon—likely at a significant loss, people familiar with the matter said.

Individuals Sour on Equities

Continued from page B1

ries that another economic downturn could be coming soon. "I could miss out on a big upswing, but I wanted to be in a safer position," Mr. Fuller said. "I just don't feel great about the outlook for the next 12 to 18 months."

As individual investors' enthusiasm for stocks wanes, professional money managers also are keeping U.S. equities at bay. Fund managers' U.S. equity allocation has fallen to an 18-year low, according to Bank of America Corp.'s March global fund manager survey, with a net 44% of investors underweight U.S. equities.

"Given that you can now enjoy good income strategies without necessarily having to take additional risk, clients are starting to look at rebalancing strategies so that we can take some money off the table on risky assets and move towards fixed income," said Omar Aguilar, chief executive and chief investment officer at Schwab Asset Management.

Institutional clients at Bank of America have pulled a net $6.8 billion out of U.S. equities this year, according to the lender's equity-flows data released March 7.

That leaves corporations buying back their own stock as a remaining support in the market. Bank of America's corporate clients have purchased nearly $16 billion of shares on a net basis as of early March—though analysts noted the pace of corporate buybacks has decelerated since the beginning of the year.

Given uncertainty about the direction of U.S. stocks, many individuals are eager to keep their money in cash and cash equivalents.

Ultrasafe instruments such as high-yield savings accounts, money-market funds and short-term government bonds are offering attractive yields not seen for much of the past decade.

Total assets in U.S. retail money-market funds reached a record last week, according to the Investment Company Institute. Retail money-market funds as of Wednesday have added about $196 billion in assets since the start of 2023—the greatest first-quarter inflow in ICI history, going back to at least 2007.

Pete Smith, a 57-year-old pastor in the greater Pittsburgh area, said his mantra in the past has been to "just keep buying" stocks. But about six months ago, Mr. Smith stopped adding to his equities portfolio and has been putting money into a high-yield savings account, money-market account, short-term government bonds and inflation-adjusted Series I savings bonds, he said.

$6.8B

Amount pulled this year by Bank of America institutional clients

"I'm still uncertain of where this market is going," Mr. Smith said. "Why would I add in the additional risk of owning a stock when, at this point, I can get the equivalent dividend just by putting it in a money-market account or in a short-term Treasury?"

A sharp slowdown in purchases of **Tesla** Inc. stock also has underpinned the drop in individual investors' equity buying. Shares of Tesla have comprised a significant chunk of overall U.S. equity purchases among individuals this year, according to Vanda.

Individuals bought the dip in Tesla shares at the end of 2022 and kept buying as the stock rallied in 2023. Purchases reached an unprecedented pace in February, but buying eased dramatically last month after Tesla's investor day largely failed to live up to its hype.

Despite the recent turmoil in the markets, stocks are still relatively pricey by historical standards. The S&P 500 is trading at about 17.8 times its expected earnings over the next 12 months, according to FactSet. That is still slightly above its 10-year average of 17.3.

Neil Howard, 66, said he hasn't made any major changes to his stock portfolio this year but bought government bonds for the first time about a month ago. In early March, the yield on the two-year U.S. Treasury note climbed above 5% to the highest level since 2007—though yields have since fallen back toward 4% after the turmoil in the banking sector.

"I'll just sit and watch the market," Mr. Howard, a retired chemical engineer based in Pleasant Hill, Calif., said of stocks. "If nothing goes on sale, I'm not going to do anything."

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

For Some Banks, Debt May Help

New requirements might be expensive but help mitigate deposit-flight risk

A lot of discussion right now is about the bonds that U.S. banks hold. There should be more about the bonds they issue, too. For some, taking on more debt could have been helpful.

One tidbit from lawmakers' grilling of regulators should catch investors' attention: a proposal to expand a requirement for issuing long-term debt. Today this debt requirement applies only to megabanks with over $700 billion in assets, the likes of **JPMorgan Chase** or **Bank of America**. Regulators are looking at expanding it to banks with over $250 billion of assets and even smaller, The Wall Street Journal has reported.

The requirement for megabanks is part of what is known as the Total Loss-Absorbing Capacity, or TLAC, standard. This helps regulators with the job of resolving a troubled bank by providing an extra cushioning layer of debt that can be wiped out and converted into equity in the event that the government needs to recapitalize a failing bank.

In a situation such as the one for Silicon Valley Bank, it might have helped to have funded more of its business with unsecured debt.

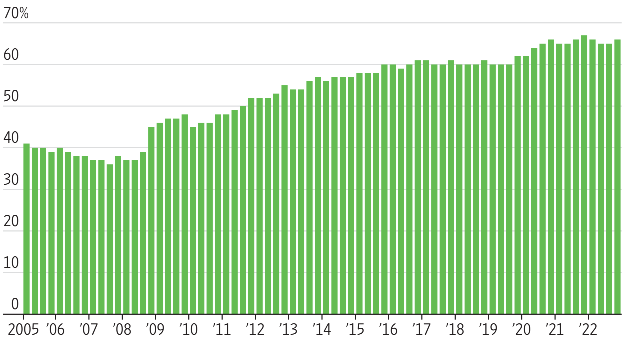
That said, the current market environment might be a tough one for banks to be issuing more loss-absorbing debt. For one thing, debt investors are now hyperaware of the risks of instruments with some of these features after holders of Credit Suisse Additional Tier 1, or AT1, bonds were wiped out to help facilitate its acquisition by **UBS**. Banks are going to be facing a squeeze on earnings from higher interest costs as depositors demand higher rates on their cash. Long-term debt such as unsecured bonds is usually an even more expensive source of funding.

But unless banks can show investors that they have a better handle on interest-rate risk, they might trade at lower multiples to reflect this concern. One way they can do so is to improve the matchup between their assets and liabilities. Replacing some deposit funding with long-term debt can help reduce banks' liquidity risk. A bank that buys a five-year bond paid for with on-demand deposits might make more money than one that pays for it by issuing bonds of its own, but it runs the risk that those deposits leave before the bond pays off, forcing it to scramble for other ways to repay them.

That is what has happened to SVB and others that bought ultrasafe longer-term investment assets but did a poor job matching them with what proved to be the ultrashort duration of their deposit liabilities. Adding more debt wouldn't eliminate mismatches between banks' assets and liabilities. But it might help mitigate extreme imbalances such as at SVB.

In general, banks have relied more heavily on deposit funding in recent years, even with megabanks

Deposits as a percentage of total liabilities at big banks, quarterly



Note: Eleven large U.S. banks, at consolidated bank holding company level
Source: Barclays

having debt requirements. Also, though TLAC-eligible long-term debt in the U.S. has some commonalities with the Credit Suisse's AT1 bonds, it isn't exactly the same. AT1s were thought by many buyers to be triggerable only under certain conditions before the bank reached the point of failure. There is now vigorous debate on whether those conditions were met. But TLAC-eligible debt is typically more clear about what happens when the bank has essentially already failed.

Megabanks that have already been subject to long-term debt requirements are arguably now enjoying some of the stability resulting from these and many other more-stringent rules. Leveling the regulatory playing field somewhat might help with the fear that deposits will simply keep flowing to the biggest, most-regulated banks.

Banks made plenty of mistakes in what they bought. They also made mistakes in how they paid for it.

—Telis Demos

After Adani's Crisis, India's Vedanta Looks Vulnerable, Too

Struggling Indian infrastructure heavyweight **Adani Group** hasn't tipped over any other large dominoes yet. But another sprawling Indian conglomerate—miner **Vedanta Resources**—is looking wobbly.

Market skittishness in the wake of the turmoil at Adani Group, which came under attack from short seller **Hindenburg Research** in late January, means that other indebted Indian companies—which otherwise might have muddled their way through the Federal Reserve hiking cycle—could increasingly find themselves under investors' microscopes. A Vedanta Resources dollar bond due in May 2023 was yielding about 50% Friday according to Refinitiv—about double the level at the end of January.

The fundamental problem is that London-headquartered Vedanta Resources, with several billion dollars of debt, is reliant on transfers from its Indian subsidiary **Vedanta Ltd.** That unit has its own large direct debts and holds the lion's share of the group's actual assets.

Moody's downgraded Vedanta Resources' debt deeper into junk-bond territory in March. The rating agency says the firm needs about $4 billion in cash to pay off debt and interest coming due over the financial year ending March 2024.

The company hopes to pay with the help of chunky cash flows from its Indian subsidiaries, but their finances are under pressure, too. And Indian politics could make some of those payments difficult to realize.

Last Tuesday, Mumbai-listed Vedanta Ltd. said it will hand out its fifth dividend of about $927 million for the current financial year ending this month. Vedanta Ltd., 70% owned by Vedanta Resources, has announced dividends of $4.6 billion in the past 12 months, more than double from the fiscal year before. But the firm's interim CFO resigned during the week. Local ratings agency CRISIL Ratings also downgraded its outlook on Vedanta Ltd. to negative from stable, citing possible higher leverage and lower financial flexibility because of big dividend payments to the parent.

Vedanta Ltd.'s unit **Hindustan Zinc**, partly owned by India's government, also announced a fourth dividend for the current fiscal year of about $1.3 billion last month. And Hindustan Zinc has offered $3 billion to buy its parent's international zinc assets, a deal the government has vehemently opposed.

The big cash payments are also coming at a time of moderating commodity prices. Meanwhile, Vedanta Ltd. has $2.6 billion of debt maturing in the next 12 months. And while its ratio of net debt to Ebitda is an acceptable 1.21, raising further debt might not be easy in the current environment.

CRISIL says Vedanta Ltd. currently only has the cash to cover Vedanta Resources' maturities for the first half of fiscal 2024. If Hindustan Zinc's generous offer to purchase its parent's international zinc assets falls through—a real possibility with India's general elections looming—then Vendanta Ltd. may struggle to keep paying fat dividends and Vedanta Resources will be in a tight spot.

The Adani saga has been obscured in recent weeks by the dramatic runctions in the U.S. banking sector. That doesn't mean there won't be further tremors emerging from India.

—Megha Mandavia

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